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## Moray Council

Thursday, 27 June 2019

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Thursday, 27 June 2019** at **14:00**.

### BUSINESS

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests \***
3. **Minute of Meeting 8 May 2019** 5 - 14
4. **Written Questions \*\***
5. **Notice of Motion - Councillors Laing and Bremner** 15 - 16
6. **Unaudited Annual Accounts for 2018-19** 17 - 22
7. **Revenue Out-turn 2018-19** 23 - 38
8. **Capital Plan 2018-19** 39 - 62
9. **Trust Funds Summary Expenditure for 2018-19 and  
Estimated Disposable Income for 2019-20** 63 - 72
10. **Common Good Summary Expenditure Disposable  
Income Report** 73 - 92
11. **Monitoring Officer Issues Arising 1 August 2018 to 31  
May 2019** 93 - 96
12. **Question Time \*\*\***

Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

**Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.**

## GUIDANCE NOTES

\* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

\*\* **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

\*\*\* **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

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# THE MORAY COUNCIL

## Moray Council

### SEDERUNT

Councillor Shona Morrison (Chair)  
Councillor Graham Leadbitter (Depute Chair)  
Councillor George Alexander (Member)  
Councillor James Allan (Member)  
Councillor David Bremner (Member)  
Councillor Frank Brown (Member)  
Councillor Theresa Coull (Member)  
Councillor John Cowe (Member)  
Councillor Gordon Cowie (Member)  
Councillor Paula Coy (Member)  
Councillor Lorna Creswell (Member)  
Councillor John Divers (Member)  
Councillor Tim Eagle (Member)  
Councillor Ryan Edwards (Member)  
Councillor Claire Feaver (Member)  
Councillor Donald Gatt (Member)  
Councillor Louise Laing (Member)  
Councillor Marc Macrae (Member)  
Councillor Aaron McLean (Member)  
Councillor Maria McLean (Member)  
Councillor Ray McLean (Member)  
Councillor Derek Ross (Member)  
Councillor Ron Shepherd (Member)  
Councillor Amy Taylor (Member)  
Councillor Sonya Warren (Member)  
Councillor Walter Wilson (Member)

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**Minute of Meeting of the Moray Council**

**Wednesday, 08 May 2019**

**Council Chambers, Council Office, High Street, Elgin, IV30 1BX**

**PRESENT**

Councillor George Alexander, Councillor James Allan, Councillor David Bremner, Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor John Divers, Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Louise Laing, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Maria McLean, Councillor Shona Morrison, Councillor Derek Ross, Councillor Ron Shepherd, Councillor Amy Taylor, Councillor Sonya Warren, Councillor Walter Wilson

**APOLOGIES**

Councillor Frank Brown, Councillor John Cowe, Councillor Ray McLean

**IN ATTENDANCE**

Also in attendance at the above meeting were the Corporate Director (Corporate Services), Corporate Director (Economic Development, Planning and Infrastructure), Acting Corporate Director (Education and Social Care), Head of Legal and Democratic Services, Head of Financial Services, Acting Head of Integrated Children's Services, Head of Direct Services, Head of Development Services, Environmental Protection Manager, Principal Officer Economic Development and Tracey Sutherland, Committee Services Officer as Clerk to the meeting.

**1. Chair**

The meeting was chaired by Councillor Shona Morrison.

**2. Declaration of Group Decisions and Members Interests \***

In terms of Standing Order 20 and the Councillors' Code of Conduct, Councillors Macrae and Taylor declared an interest in Agenda Item 11 and would leave the meeting during the discussion of that item. The meeting noted that there were no other declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

**3. Resolution**

The Council resolved that, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 14 and 15 of business on the grounds that it

involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

#### **4. Written Questions \*\***

The Council noted that no written questions had been received.

#### **5. Minute of Meeting dated 13 March 2019**

The minute of the meeting of Moray Council dated 13 March 2019 was submitted and approved.

#### **6. Recruitment Procedures for Senior Staff**

A report by the Corporate Director (Corporate Services) invited the Council to consider the procedures for recruitment of senior staff and to amend these to incorporate improvements.

Following lengthy discussion Councillor Eagle moved that the Council should not endorse the revised procedures. Councillor Feaver seconded the motion.

As an amendment Councillor Leadbitter, seconded by Councillor A McLean, moved that the Council approve the revised procedures.

On a division there voted:

For the Motion (11) Councillors Eagle, Feaver, Allan, Cowie, Edwards, Gatt, M McLean, Macrae, Ross, Shepherd and Wilson

For the Amendment (12) Councillors Leadbitter, A McLean, Alexander, Bremner, Coull, Coy, Creswell, Divers, Laing, Morrison, Taylor and Warren

Abstentions (0)

Accordingly the Amendment became the finding of the meeting and the Council agreed to approve the revised procedures for the appointment of senior staff as set out in Appendix B.

#### **7. Financial Planning 2019-20 - Consultation Update**

A report by the Corporate Director (Corporate Services) informed the Council of the outcome of the equalities and workforce consultation on budget options considered at the Council meeting on 27 February 2019 and to agree how to proceed.

The Corporate Director (Corporate Services) updated the Council to request the decision on English for Speakers of Other Languages (ESOL) services be deferred to allow further investigation work to take place with regards to funding arrangements.

Councillor Morrison sought clarification on how long the item recommendation would be deferred. In response, the Corporate Director (Corporate Services) confirmed that a report would be brought to the next meeting of Moray Council on 27 June 2019. As there was no one otherwise minded it was agreed to defer the decision on

ESOL until 27 June 2019.

Following lengthy discussions Councillor Ross moved that the Council defer the decision on Essential Skills until the June meeting. Councillor Divers seconded the motion.

As an amendment, Councillor Leadbitter, seconded by Councillor Coy, moved that the Council approve the recommendations as stated in the report with the exception of the ESOL services.

On the division there voted:

For the Motion (12) Councillors Ross, Divers, Allan, Creswell, Eagle, Edwards, Feaver, Gatt, M McLean, Macrae, Shepherd and Wilson

For the Amendment (11) Councillors Leadbitter, Coy, Alexander, Bremner, Coull, Cowie, Laing, A McLean, Morrison, Taylor and Warren

Abstentions (0)

Accordingly the motion became the finding of the meeting and Council agreed:

- i) to note the information in the revised equality impact assessments (Appendices A, B and C) and the mitigations proposed in response to consultation;
- ii) to defer the savings relating to the reduced library opening hours, Essential Skills and ESOL services until the meeting of Moray Council on 27 June 2019; and
- iii) to note the alternative savings proposals have emerged from the workforce consultation in relation to janitorial savings and remits further consideration of the saving to the service committee, subject to any variation in the amount saved being reported to a future meeting of the Council.

## **8. Use of Capital Receipts to Fund Transformation**

A report by the Corporate Director (Corporate Services) requested Council's approval to use capital receipts to fund a specified range of transformation or service redesign projects, in terms permitted by the Scottish Government as set out in Local Government Finance Circular No 4/2019.

Following consideration Council agreed to:

- i) approve the use of capital receipts to fund expenditure of £433,418 in 2018/19 on the Improvement and Modernisation Programme, Digital Services and service restructure, as set out in section 4 of the report;
- ii) note that annual recurring savings of at least £1,016,000 are projected to be achieved from this investment of capital receipts; and

iii) note that further reports on the use of capital receipts in 2019/20 will be brought for approval as the details of the Improvement and Modernisation Programme are developed.

## **9. Workload Pressures for Education and Social Care Staff Responding to Communications and Complaints**

A report by the Acting Corporate Director (Education and Social Care) informed the Council of the pressures affecting Education and Social Care staff in relation to the responding to communications and complaints, and to consider and approve an increase in budget.

Following a lengthy discussion, Councillor A McLean moved that the Council defer the report until the June meeting of Moray Council. Councillor Warren seconded the motion.

As an amendment Councillor Ross, seconded by Councillor Alexander, moved that the Council approve the recommendation note in the report.

On the division there voted:

For the Motion (10) Councillors A McLean, Warren, Bremner, Coull, Coy, Laing, Leadbitter, Morrison, Shepherd and Taylor.

For the Amendment (13) Councillors Ross, Alexander, Allan, Cowie, Creswell, Divers, Eagle, Edwards, Feaver, Gatt, M McLean, Macrae and Wilson

Abstentions (0)

Accordingly the Amendment became the finding of the meeting and the Council agreed to note the content of the report and approve an increase in the Business Support Unit budget of up to £43,000 per year to enable recruitment of a Business Support Officer (Communications and Complaints).

## **10. Domestic Waste Charges**

A report by the Corporate Director (Economic Development, Planning and Infrastructure) sought approval for a new charge for household recycling containers for new build domestic properties.

Following consideration Council approved with immediate effect the replacement of the current charge for the green bin with a new composite charge of £113.29 for all the household containers for new build domestic properties.

## **11. Moray Leisure Centre (MLC) Developments**

Prior to discussion of this item Councillors Macrae and Taylor declared an interest in this item as Directors of Moray Leisure Centre Board and left the meeting taking no part in the discussion or decision.

A report by the Acting Corporate Director (Education and Social Care) updated Council with regards to Moray Leisure Limited's development plan and to seek

approval for an extension of a year to their lease.

Following consideration Councillor Eagle moved that recommendation 2.1 (ii) be removed until the full review of leisure services is carried out. Councillor Feaver seconded the motion.

As an amendment Councillor A McLean, seconded by Councillor Leadbitter moved that the recommendations in the report are approved as written.

In response Councillor Alexander suggested that it was important to keep a good working relationship with Moray Leisure Board and Highland Highlife and suggested to Councillor Eagle and Councillor A McLean that a compromise of wording could be achieved.

Following a lengthy discussion, Councillors Eagle and A McLean withdrew their motion and amendment respectively.

Councillor Warren requested that wording which included reference to a Service Level Agreement be included in the recommendation. In response, the Head of Legal and Democratic Services suggested that to include the reference to a Service Level Agreement would revert back to the original wording of the recommendation which the Conservative Group were not comfortable with and could therefore refer back to Councillor Eagles original motion and Councillor McLean's original amendment.

Both Councillor Eagle and McLean confirmed that they were both minded to continue with the withdrawal of their motion and amendment in favour of the compromise. Councillor McLean further confirmed that Councillor Warren's concern were included in the wording of the compromise.

As there was no one else otherwise minded the Committee agreed:

- i) an extension to Moray Leisure Limited's lease for a further year to 30 June 2020 and month to month thereafter; and
- ii) that discussions are held with the Moray Leisure Board regarding the future of Leisure Services in Moray and that a report is submitted to a future meeting of Council.

## **12. Appointments to Commitees**

A report by the Corporate Director (Corporate Services) invited the Council to consider the appointment of Chair to the Audit and Scrutiny Committee.

Councillor Eagle moved that Councillor Donald Gatt, previously Depute Chair was appointed to Chair and Councillor Claire Feaver be appointed to Depute Chair. Councillor Edwards seconded the motion.

Councillor Eagle further added that if the appointments were agreed then could Council agree to a change to the Policy and Resources Committee and replace Councillor Macrae with Councillor Gatt.

There being no one else otherwise minded the Council agreed that Councillor Donald Gatt be appointed as Chair of Audit and Scrutiny and Councillor Claire Feaver be appointed as Depute Chair and that Councillor Gatt would replace Councillor Macrae on Policy and Resources Committee.

### **13. Town Centre Fund Capital Grant 2019-20**

A report by the Corporate Director (Economic Development, Planning and Infrastructure) informed Council of the Town Centre Fund and asked the Council to authorise the proposed works and grant schemes.

Following consideration, Council agreed:

- i) for Elgin, Forres, Buckie, Lossiemouth and Keith
  - a) the grant scheme turning empty space into living space;
  - b) enhance low carbon accessibility and transport hubs;
  
- ii) for all towns and settlements with a population of 1000 or more
  - a) the grant scheme for shop front improvement and/or small grants
  - b) enhance some of the public realm including digital smart systems;
  
- iii) subject to Council agreeing 2.1. (i) and (ii) road shows will be held throughout May/June 2019 to provide initial support and guidance for any applicant;
  
- iv) the grant scheme deadline for submission of applications will be 21 June 2019;
  
- v) to delegate authority to the Head of Development Services in consultation with the Chair of this committee and group leaders to assess and prioritise requests in accordance with the criteria set out in paragraphs 3.15 and 3.16 of the report and to approve any grants and proposed works; and
  
- vi) should the grant scheme be undersubscribed to hold a second round in early autumn with any sums then remaining unallocated to be further invested in additional public realm, transport and/or digital investments which can be delivered within the grant conditions.

### **14. Moray Growth Deal - Progress Update**

Prior to continuing with the debate the Chair sought the agreement of Council to suspend standing order 74 in order to allow the meeting to continue beyond 12.45pm. This was unanimously agreed.

A report by the Corporate Director (Economic Development, Planning and Infrastructure) provided Council with an update on the development of a growth funding proposal for Moray since the previous update was provided on 28 June 2018, and sought endorsement by the Council of the work completed to date as well as agreement to the next steps proposed.

Following consideration, Council agreed to:

- i) note the following:
  - a. the progress made on the Moray Growth Deal since June 2018;
  - b. that the next stage of the process is agreement on the quantum of funding from each government followed by Heads of Terms
  - c. that the target date for funding quantum announcement is May/June 2019, with Heads of Terms being concluded within the following 4 - 12 weeks.
  - d. that Heads of Terms may therefore require to be signed by the Council Leader on behalf of the Moray Growth Deal partners outwith the normal cycle of Council meetings
  - e. that a negotiating team is being created as described in paragraph 8.4 to ensure that the fast paced negotiations are well informed and representative of the various key stakeholders interests; and
  
- ii) delegate authority to draw down up to £40,000 previously identified as a budget pressure for 2019/20 to enable further development of the deal programme as detailed in paragraph 10 of the report to the Corporate Director (Economic Development, Planning and Infrastructure) in consultation with Group Leaders and the Head of Financial Services.

## **15. Question Time \*\*\***

Under reference to paragraph 11 of the minute of the meeting of Moray Council on 13 March 2019, Councillor Alexander sought an update on when Members would receive feedback on the Education Services Improvement Plan.

In response the Chief Executive confirmed that all he could report was that discussions are ongoing with Education Scotland.

Under reference to paragraph 12 of the minute of the meeting of Moray Council on 13 March 2019, Councillor Alexander sought an update on the ERDPs for CMT staff.

In response the Chief Executive confirmed that the process is underway and he apologised for not updating Councillor Alexander to that effect.

Under further reference to paragraph 12 of the minute of the meeting of Moray Council on 13 March 2019, Councillor Alexander sought clarification on whose failing the Convener referred to.

In response the Convener stated that she suggested it was the Elected Member's failing that they had not used the opportunity to explore the paper as well as they should have done prior to the last meeting.

Councillor Alexander sought clarification on the position on the Chair of Grampian Valuation Joint Board, as he understood that the position used to rotate around the 3 constituent authorities.

In response, Councillor Leadbitter, as Chair of Grampian Valuation Joint Board confirmed that the constitution of the Board has not changed and therefore the Chair is always a Moray councillor.

Councillor Alexander further asked whether this was a burden financially and in staffing on Moray Council.

In response, Councillor Leadbitter confirmed that all associated admin, legal and financial costs are recharged to the Board.

The Convener joined Councillor Warren in congratulating the 7 Moray schools which had taken part in the Glee competition and in particular Bishopmill Primary who won and now go on to represent Moray in the Scottish finals at the Caird Hall in Dundee on 9 June 2019. They also congratulated Findochty Primary School in winning the spirit of Glee competition for their good behaviour.

Councillor Coy sought clarification on how the behaviours of some Councillors towards each other and staff can be addressed.

In response, the Head of Legal and Democratic Services confirmed that regular training takes place on the Councillors Code of Conduct and updates from the Standards Commission and he would be happy to look at providing a session on respect, which is one of the key principles within the code.

The Corporate Director (Corporate Services) further added that as part of the commitment in the culture work being carried out 'Leading by Example' and Self Regulation were a couple of the points made, for Councillors setting that example. The Corporate Director (Corporate Services) agreed to circulate that information round to Members as well as the training session.

Councillor Ross further suggested that use of Social Media also be included in the training.

The Head of Legal and Democratic Services confirmed that social media is one of the areas that the Standards Commission and Scottish Government are looking to update around the Code of Conduct.

Councillor Eagle requested whether the Chief Executive could provide a confidential 3 minute brief to Group Leaders on the discussions with Education Scotland.

In response the Chief Executive said he would be happy to discuss the matter in the confidential section of the meeting.

## **16. Moray Growth Deal - Progress Update [Para 9]**

A report by the Corporate Director (Economic Development, Planning and Infrastructure) provided an update on the development of a growth funding proposal for Moray since the previous update was provided on 28 June 2018, and sought endorsement by the Council of the work completed to date as well as agreement to the next steps proposed.

Following consideration Council agreed to:

- i) the projects detailed in the revised Strategic Outline Programme v1.4 in Appendix 1 will form the basis for ongoing discussion and negotiation with both governments;
- ii) note the following:

- a. the progress made on the Moray Growth Deal since June 2018;
  - b. that the next stage of the process is agreement on the quantum of funding from each government followed by Heads of Terms;
  - c. that the target date for a funding quantum announcement is May/June 2019, with Heads of Terms being concluded within the following 4 -12 weeks;
  - d. that Heads of Terms may therefore require to be signed by the Council Leader on behalf of the Moray Growth Deal partners outwith the normal cycle of Council meetings;
  - e. that a negotiating team is being created as described in paragraph 9.4 to ensure that the fast paced negotiations are well informed and representative of the various key stakeholders interests;
- iii) once negotiations have been concluded by the negotiating team; give delegated authority to the Corporate Director (Economic Development, Planning and Infrastructure) in consultation with Group Leaders to agree Heads of Terms in accordance with the approach set out in section 8 of the report;
  - iv) delegate authority to draw down up to £40,000 previously identified as a budget pressure for 2019/20 to enable further development of the deal programme as detailed in paragraph 10 of the report to the Corporate Director (Economic Development, Planning and Infrastructure) in consultation with Group Leaders and the Head of Financial Services.

#### **17. Workload and Budget Pressures for Children and Families Social Work**

A report by the Acting Corporate Director (Education and Social Care) informed Council of the pressures affecting children and families social work services in relation to both workload and budget, and to consider and approve an increase in budget and establishment.

Following consideration Council agreed to:

- i) increase Children and Families social work by £115,990 per year for 2 Full Time Equivalent (FTE) Senior Social Work posts at Grade 10; and
- ii) immediate advertising of the posts required.

#### **18. Budget 2019-20 - Voluntary Severance - Voluntary Early Retirement Applications (Para 1 and 11)**

This report was withdrawn as a result of the decisions made with regards to the paper on Financial Planning 2019-20 – Consultation Update.



## Item 5.

Motion to council 27<sup>th</sup> June 2019

1. Council recognises that climate change is an ecological emergency and we need to be serious about taking necessary actions to protect our area, country and planet.
2. Council will form a climate change group made up of officers and elected members (members to be representatives nominated by group leaders), to direct and scrutinise the climate change strategy currently being prepared.
3. Council will consider and approve a final climate change strategy and action plan within 6 months and ensure it is adopted and informs policy for all departments.
4. The strategy will set a goal of being carbon neutral by 2030. Council, it's officers and members will work with others across Moray to deliver that goal.

Proposed

Seconded

  
Cllr Louise Laing

  
Cllr David Bremner





**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: UNAUDITED ANNUAL ACCOUNTS FOR 2018/19**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 The Council is asked to consider the unaudited Annual Accounts for the year to 31 March 2019 for both Moray Council and the Connected Charity Trust Funds administered by the council.

**2. RECOMMENDATION**

- 2.1 It is recommended that Council considers and notes the:-

- (i) **unaudited Annual Accounts for Moray Council for the year ended 31 March 2019; and**
- (ii) **Moray Council Connected Charity Trust Funds Trustees' Report and Financial Statements for the year ended 31 March 2019.**

**3. BACKGROUND**

- 3.1 The unaudited Accounts for 2018/19 for the Council and for the Connected Charity Trust Funds administered by Moray Council are available as separate documents on the agenda. These documents will be posted to the Council's website after this meeting.

**Moray Council Annual Accounts**

- 3.2 These accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) which is underpinned by International Financial Reporting Standards (IFRS). They summarise the Council's financial transactions for the year to 31 March 2019.
- 3.3 The regulations require the unaudited Annual Accounts to be presented to the External Auditor by the 30 June and for the Council to consider before 31 August.
- 3.4 The Code requires the Council to set out a statement not only of its own financial position but also of the financial position of all the entities or activities for which the council is responsible or in which it has a significant financial interest. These entities are encompassed in the Group Accounts, which are

included in the Annual Accounts. The Group Accounts for 2018/19 include Trust Funds and Common Good Funds as entities or activities for which the council is responsible and the Moray Integration Joint Board, Grampian Valuation Joint Board and Moray Leisure Limited as associate bodies.

- 3.5 There are four core Financial Statements: the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement. Of these, the Statements most likely to be of interest to most users of the accounts are the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement.
- 3.6 The Comprehensive Income and Expenditure Statement expresses the income and expenditure of the Council over the past financial year in a format which complies with International Financial Reporting Standards. This includes entries relating to revaluation of assets and other entries, which by statute cannot be a charge to the Council Tax payer.
- 3.6.1 The Statement shows a surplus of £24,774,000, which includes a net increase of £43,166,000 for the revaluation of the Council's assets plus a decrease for the re-measurement of the defined benefit liability of the Council's pension fund of £7,722,000.
- 3.6.2 This leaves a deficit on the Provision of Services of £10,670,000. After adjustment for items not chargeable to Council Tax or Housing Rent payers, this "book deficit" equates to a deficit of £3,889,000. This is reflected in the Movement in Reserves Statement.
- 3.7 The Movement on Reserves Statement shows the movement on the different reserves held by the council, analysed into Unusable and Usable Reserves.
- 3.7.1 Unusable Reserves arise from accounting entries required to comply with International Financial Reporting Standards but which cannot impact on the level of Council Tax or Council House Rent payable.
- 3.7.2 Usable reserves accounting align with the basis on which the Council sets its budgets. They therefore show the direct financial impact for the Council Tax payer and Council House tenant.
- 3.8 The net movement on the General Fund in 2018/19 was an overall decrease of £4,623,000. Note 13 to the Accounts shows an analysis of the General Fund, which consists of a general service element, the Devolved School Management (DSM) balance and various ear-marked and otherwise restricted funds
- 3.8.1 In order to balance the 2018/19 budget the Council planned to use £4,726,000 from the General Services reserve. The actual use of this reserve was £4,819,000. DSM was reduced by £438,000 and the ear-marked reserve for the expansion of Early Learning and Childcare by £146,000. Unspent Pupil Equity Funding held in reserves increased by £14,000. A new ear-marked portion of reserves was created, to hold funds planned to be used for the Improvement and Modernisation Programme and £700,000 was set aside for this purpose. Other funds increased by £65,000, primarily relating to

insurance premium discounts but also including funds for nursery snacks and Scottish Welfare Fund.

- 3.8.2 At 31 March 2018, the General Fund's balance is £14,030,000 of which £10,000 represents DSM balances and £1,744,000 earmarked amounts leaving a General Services element of the General Fund of £12,276,000.
- 3.8.3 Members have previously approved £3,812,000 to be funded from General Services reserves in 2019/20. The outturn report later on the agenda for this meeting recommends decreasing this figure by £1,003,000 to leave an estimated free balance in the General Fund at 31 March 2018 of £9,267,000.
- 3.9 The Balance Sheet summarises the council's assets and liabilities as at 31 March 2019. This includes pension liabilities falling due in future years, which will be financed by pension contributions through the Council's Revenue Expenditure. Assets of £908 million are offset by liabilities of £429 million, giving the council a net worth of £480 million, which represents the total value of the council's usable and unusable reserves.
- 3.10 The Cash Flow Statement shows the movement in cash and cash equivalent during the financial year, an increase of £11 million for 2018/19.

### **Connected Charity Trust Funds Administered by the Council**

- 3.11 All 26 councillors as trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and regulations. The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.
- 3.12 The financial statements for the Connected Charity Trust Funds have been prepared under the historical cost convention as modified by the inclusion of investments at fair value, in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the principles of Accounting and Reporting by Charities: Statement of Recommended Practice 2015 (FRS102) commonly referred to as the SORP.
- 3.13 In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the trust funds for which it acts as sole trustee are connected charities. As such the accounts for these individual charities have been prepared on a collective basis for Council.
- 3.14 During the year, one trust was transferred into the Moray Council Charitable Trust. Moray Council now administers 30 Registered Charitable Trusts for which it is sole trustee, with a total net worth at 31 March 2019 of £938,000 (2017/18 £938,000).
- 3.15 Separate financial statements covering all the Council's charitable trusts are published on the council's website.

#### 4. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The unaudited Annual Accounts have been completed within the target timescale.

(b) **Policy and Legal**

The Local Authority Accounts (Scotland) Regulations 2014 require a Local Authority to submit a set of accounts to its External Auditor by 30 June.

The council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 which is underpinned by International Financial Reporting Standards.

The Connected Charities unaudited financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed.

The Audited Accounts, together with a copy of the External Auditor's Report shall be laid before a meeting of the council in due course.

(c) **Financial Implications**

The Annual Accounts provide extensive information about the council and its Connected Charity Trust Funds financial position at 31 March 2019.

(d) **Risk Implications**

There are no risk issues arising directly from this report. The Annual Accounts will be subjected to an audit by the council's External Auditors, Audit Scotland, who will provide assurance that the Accounts for 2018/19 give a true and fair view of the financial position and expenditure and income of the council and its group for the year.

Audit Scotland will also audit the council's Connected Charity Trust Funds Trustees' Report and Financial Statements and provide a report to Members on their findings.

(e) **Staffing Implications**

Many staff throughout the council provide information for the inclusion in the Annual Accounts. The process begins before the end of March each year and is only completed once the audit of the Accounts is finalised in September.

(f) **Property**

None.

(g) **Equalities/Socio Economic Impact**

There are no equalities issues arising directly from this report.

**(h) Consultations**

Finalising the Accounts does not involve consultation, but many staff throughout the council are involved in providing information for inclusion in the Accounts.

**5. CONCLUSION**

**5.1 The unaudited Annual Accounts shows the council's financial position as at 31 March 2019. The audited accounts for 2018/19 will be submitted to the council meeting in September 2019 along with any findings and recommendations from our external auditors Audit Scotland.**

Author of Report: Lorraine Paisey, Head of Financial Services  
Background Papers:  
Ref: LP/LJC/





**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: 2018/19 REVENUE OUT-TURN**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

## **1. REASON FOR REPORT**

- 1.1 To advise the council of the actual out-turn for 2018/19 and the major variances from the approved budget for that year; to seek approval of adjustment to the budget for 2019/20 where income and expenditure trends are forecast to continue into 2019/20, and to seek approval to fund projects from reserves where there has been slippage in 2018/19 but projects will be completed in 2019/20.
- 1.2 This report is submitted to council in terms of Section II (25) of the council's Scheme of Administration relating to the approval of the annual estimates of revenue expenditure for all services and of Section III (B) (6) relating to monitoring current expenditure in relation to approved estimates.

## **2. RECOMMENDATION**

**2.1 It is recommended that the Council considers and notes:-**

- (i) the out-turn for 2018/19 of a deficit of £4,819,000 on the General Fund;**
- (ii) the major variances from the approved budget for that year totalling £476,000 as detailed in APPENDIX 2;**
- (iii) general reserves at 31 March 2019 of £12,276,000 of which £4,012,000 are already committed: and**
- (iv) projected budget savings of £12,400,000 required in 2020/21, prior to the amendments recommended in paragraph 2.2 below.**

**2.2 It is recommended that the Council approves:**

- (i) adjustments amounting to net savings of £1,121,000 for variances which are anticipated to continue into 2019/20, as detailed in the table in paragraph 3.7; and**

- (ii) one-off budget provision for 2019/20 of £118,000 as detailed in paragraph 4.1, to be funded from the General Fund reserve.

### 3. BUDGET VARIANCES

3.1 The Council at a meeting on 14 February 2018 approved budgeted net expenditure of £199,105,000, which anticipated the use of £4,726,000 General Fund reserves (paragraph 10 of the minute refers). The final budget for the year, after adjustments for additional funding from reserves, additional government grant funding announced during the year and additional savings, approved was for expenditure of £201,577,000, including Devolved School Management (DSM) balances brought forward of £448,000; Early Learning Childcare expansion carried forward of £196,000 and Pupil Equity Funding carried forward of £568,000.

3.2 The budgeted use of general reserves is set out in the table below:

	£000s	£000s
Budgeted use of general reserves @ February 2018		4,726
Additional budget approved and drawn down during the year	569	
Final budgeted use of reserves		5,295

3.3 Expenditure against this budget was reported to Committee on a quarterly basis during the financial year. Quarter one was reported to Moray Council on 5 September 2018; Quarter two to Policy & Resources Committee on 27 November 2018 and quarter three to Policy & Resources Committee on 12 February 2019 (paragraph 12 of the minute refers). The forecast at the end of quarter three was a net overspend of £2,132,000 which would result in use of general reserves of £9,307,000. The forecast for the year is used as a key part of the budget setting process and the differences highlighted in this report can be used to amend the budget for 2019/20. The main changes from the out-turns forecast at the end of December 2018 are summarised in **APPENDIX 1**. The principal causes of net expenditure being less than forecast are increased income from Council Tax, which is inherently difficult to forecast (£955,000); increased income from Scottish Government, primarily accrued funding for the teacher's pay award, (£203,000); Business Rates Incentivisation Scheme retention (£452,000); the use of capital receipts to fund expenditure on transformation, following Scottish Government approval (£590,000); transfer of unspent Devolved School budgets to the General Fund (£609,000); reduction in loans charges (£154,000); services outturn £455,000 less than forecast.

3.4 A summary of the variance against budget is set out in the table below:

	<b>Overspend £000s</b>	<b>Underspend £000s</b>	<b>Net £000s</b>
Staff	(533)	873	
Income / recharges to capital and HRA	(1,260)	535	
Purchase of children's services / looked after children	(1,261)	564	
School budgets	-	713	
Less DSM carried forward	-	(10)	
Repairs and maintenance	-	695	
Transport	-	26	
Economic Development projects	-	41	
Roads Winter Maintenance	(62)	-	
Housing and welfare benefits	(141)	-	
Software licences	(37)	-	
PEF funding	-	583	
ELC expansion	-	50	
Cost of early retirement (one-off cost)	(1,570)	-	
Other	(648)	1,515	
	-----	-----	
Service underspend	(5,512)	5,585	73
Loans charges	-	548	
Balance on central provisions	(799)	-	
Council Tax	-	955	
Government Grant	-	203	
BRIS retention	-	452	
Transfer to / from ear-marked reserves	(1,546)	-	
General Capital grant unapplied	-	590	
<b>Total variance</b>	<b>(7,857)</b>	<b>8,333</b>	<b>476</b>

3.5 Major variances at departmental level are set out in **APPENDIX 2**.

3.6 The variances against the budget have been reviewed and classified as one-off or likely to be recurring. The classification takes into account the savings and other adjustments made when the budget for 2019/20 was approved. The overall position is summarised below:

	Para ref	Recurring £000s	Non-recurring £000s	Impact already included 2019/20 Budget £000s	Proposed further adjustment to 2019/20 Budget £000s
<b>Overspends</b>					
Staff / subcontractors	3.6.1	-	(533)	-	-
Income	3.6.2	(250)	(569)	(148)	(42)
MIJB Deficit		(441)	-	(555)	-
Purchase of children's services / looked after children	3.6.3	(1,261)	-	(1,230)	-
Winter maintenance		-	(62)	-	-
Housing & welfare benefits	3.6.4	-	(141)	-	-
Software licenses		(37)	-	(42)	-
Cost of early retirement (one off costs)		-	(1,570)	-	-
Other		-	(648)	-	-
Balance on central provisions	3.6.5	-	(799)	-	-
Transfer to ear marked reserves		-	(1,546)	-	-
<b>Total overspends</b>		<b>(1,891)</b>	<b>(5,966)</b>	<b>(1,975)</b>	<b>(42)</b>
<b>Underspends</b>					
Staff / subcontractors	3.6.6	114	759	-	114
Income / funding	3.6.7	85	450	50	13
Purchase / provision of care	3.6.8	-	564	-	-
School budgets	3.6.9	50	663	-	50
Repairs and maintenance	3.6.10	-	695	-	-
Transport		-	26	-	-
Economic Development		-	41	-	-
Council Tax	3.6.11	955	-	-	955
Government grant		-	203	-	-
BRIS retention		-	452	-	-
Loans charges	3.6.12	-	548	-	-
Other	3.6.13	189	1,003	95	31
<b>Total underspends</b>		<b>1,393</b>	<b>5,404</b>	<b>145</b>	<b>1,163</b>
<b>Transfer to ear</b>					

	Para ref	Recurring £000s	Non-recurring £000s	Impact already included 2019/20 Budget £000s	Proposed further adjustment to 2019/20 Budget £000s
<b>marked reserves</b>					
ELC Expansion	3.6.14	-	50	-	-
PEF Funding	3.6.14	-	583	-	-
DSM	3.6.14	-	(10)	-	-
Insurance	3.6.14	-	71	-	-
Transformational change use of capital receipts	3.6.15	-	(443)	-	-
Capital grants unapplied	3.6.15	-	590	-	-
Transformational change	3.6.15	-	700	-	-
Other funds		-	(5)	-	-
<b>Total transfer to ear marked reserves</b>		-	<b>1,536</b>	-	-
<b>Total net (over)/underspend</b>		<b>(612)</b>	<b>1,088</b>	<b>(1,830)</b>	<b>1,121</b>

3.6.1 Staff overspends generally relate to one-off payments relating to redundancy costs due to the implementation of savings as part of the 2019/20 budget proposals. A non-recurring overspend on central supply teachers of £138,000 has been incurred during 2018/19, due to difficulties in recruiting staff and sickness levels. This situation is not expected to continue and the use of central supply will be managed by the service. Vacancies or savings from appointments not at top of scale considerably outweigh staffing overspends.

3.6.2 Income was under budget in various services and will be reviewed for continuing trends when the estimated actual for the year is developed. Part of the shortfall lies within Property Services, where the historic budget for property fees for capital projects does not match the pattern of planned work under the Make Do and Mend policy. This budget will be reviewed by the service during the year following the change of policy from Make Do and Mend. Additional income generation by corporate advertising was not achieved during 2018/19 due to a delay in securing income from trunk roads and no uptake from advertising on vehicles. This recurring overspend was acknowledged as part of the budget setting for 2019/20, as part of the additional budget pressures in Appendix 2 of the report to Moray Council on 27 February 2019 (para 4 of the minute refers). Music instruction income was £42,000 under budget and this is expected to continue, due to pupils withdrawing from the service following the increase in charges in 2018/19. It is therefore recommended that the income budget is reduced for this service in 2019/20.

- 3.6.3 Expenditure on out of area placements exceeds budget by £1,234,000 and as placements continue into 2019/20 overspend is likely to continue. This recurring overspend was acknowledged as part of the budget setting for 2019/20, as part of the additional budget pressures in Appendix 2 of the report to Moray Council on 27 February 2019 (para 4 of the minute refers).
- 3.6.4 Expenditure on housing and welfare benefits exceeds the budget by £141,000, primarily due to an increase in the provision for bad debts and lower than expected private tenant overpayments recoveries. These budgets are inherently difficult to predict accurately, and these budgets were assumed to break even.
- 3.6.5 Expenditure on central provisions is £799,000 overspend however, we hold a credit provision of £1,000,000 in expectation of general departmental underspends.
- 3.6.6 Staff turnover can result in underspends, as the process of filling posts takes longer than the one month notice which most staff have to give. Underspends then accrue from vacancies whilst posts are filled and from new staff being appointed on lower points on the salary scale than more experienced staff who have left. (Posts are budgeted for a top of scale). This is on-going and the council recognised that when setting its budget, by incorporating estimates of underspends arising from staff turnover. The estimate was originally based on 3.5% of budgeted salaries in areas where vacancies are not automatically covered by relief staff or sub-contractors. The estimate was a conservative one, and has consistently been exceeded. The current provision across the council (excluding Health and Social Care) is £3,800,000. This provision was exceeded in 2018/19 by £873,000. Some savings arising from vacant posts were taken when the budget for 2019/20 was set, so no general increase in the provision for vacancies is proposed, but in line with the pay award for 2019/20, it is recommended to increase the vacancy target by 3%, totalling £114,000.
- 3.6.7 It is recommended that the budget for income for miscellaneous contract rebates is increased by £13,000 to reflect the recurring level of rebates received over the last few years. There is also a recurring underspend relating to harbours income, but that has already been taken into account when setting the 2019/20 budget.
- 3.6.8 There was one-off underspend in the purchase of care for Childrens service relating to a refund and a reduction in contract value.
- 3.6.9 The schools budgets are underspent by £713,000 of which £50,000 relates to on-costs and is recurring. It is therefore recommended that this is taken as a saving in 2019/20.

- 3.6.10 The budget for property repairs and maintenance was underspent. This was partly due to the continuing “Make do and mend “policy during 2018/19, which has been discontinued in 2019/20, and partly due to capitalisation of expenditure that was originally budgeted for in revenue. The capital programme is subject to a separate report to council.
- 3.6.11 When the budget was set, the in-year collection rate for Council Tax used to set the budget was 96.5%. The actual in-year collection rate for 2018/19 was 96.9%. Growth of houses was based on projected population growth for Moray. Actual growth in house numbers was higher than forecast. It is recommended that the budget for Council tax income is increased by £955,000 to reflect the increased tax base and higher collection. Accountancy and Revenues staff are reviewing how Council Tax income is monitored, with a view to predicting this more accurately.
- 3.6.12 There is a one-off underspend on Loans charges due to slippage on the capital programme and to the change of policy relating to the capitalisation of interest. This change in policy has already been reflected in 2019/20 when the budget was set.
- 3.6.13 It is recommended that the budgets for Non Domestic Rates (NDR) reliefs and Protecting Vulnerable Groups (PVG) scheme are decreased in line with what is projected to be recurring reduction in expenditure, by £10,000 and £21,000 respectively, and taken as a saving in 2019/20. There is also a recurring underspend relating to Interest on Revenue Balances, but that has already been taken into account when setting the 2019/20 budget.
- 3.6.14 Funding for the expansion of Early Learning and Childcare (ELC) and the Pupil Equity Fund (PEF) is in the form of ring-fenced funding, and the underspends in these area, arising from the timing of ELC projects and PEF, which are planned to spend by academic year, are held in ear-marked reserves and consequently do not impact on the free General Fund Reserve balance. The balance of DSM funding underspent in 2018/19 was approved to be taken as a saving for 2019/20 at the Special Moray Council meeting on 27 February 2019 (paragraph 4 of the Minute refers), leaving £10,000 carried forward to schools budgets in 2019/20. According to the practice in recent years, any insurance refunds have been credited to the insurance fund, to build up a reserve to cover claims beneath the council’s excess. £45,000 has been credited to the insurance fund in 2018/19.
- 3.6.15 Scottish Government gave approval for local authorities to use capital receipts to fund transformation. Following this, £590,000 was transferred to the general fund from the capital grants unapplied account and used to fund expenditure on transformational change of £443,000 as approved by Council on 8 May 2019 (paragraph 8 of the draft Minute refers). At Special Council meeting on 12 December 2018 (para 5 of the minute refers) £700,000 was approved to be earmarked for transformational change to be used to implement the Improvement and Modernisation Programme over a period of up to 2 years.

## **2019/20 BUDGET ADJUSTMENT**

3.7 The following budget adjustments are recommended:

	Budget increase £000s	Budget savings £000s	Net effect £000s
Income:			
Miscellaneous contract rebates	-	(13)	
Music tuition	42	-	
Schools on-costs	-	(50)	
PVG Scheme	-	(21)	
NDR reliefs	-	(10)	
Council tax	-	(955)	
Vacancy target	-	(114)	
<b>Net total proposed reduction in base budget</b>	<b>42</b>	<b>(1,163)</b>	<b>(1,121)</b>

3.7.1 The proposed budget increase of £42,000 is covered by the proposed budget savings of £1,163,000, a net saving of £1,121,000.

## **4. FUNDING FROM RESERVES**

4.1 A number of requests for funding to be made available from reserves have been made for a variety of projects. These are summarised in the table below:

	Para ref	£000s
Development of child poverty outcomes	4.2	5
Moray Growth Deal	4.2	5
Discretionary Housing Payments	4.2	29
Community Planning	4.3	25
Homelessness: temporary accommodation	4.4	15
Syrian Refugees	4.5	39
<b>Total</b>		<b>118</b>

4.2 Benefits Welfare are taking forward the new statutory requirement to develop child poverty outcomes in 2019/20 as part of the poverty group Fairer Moray Forum. Scottish Government awarded £5,000 additional funding in General Revenue Grant in 2018/19. This was received in March 2019 and is requested to be carried forward to fund work in this area in 2019/20. Moray Growth Deal requires £5,000 to complete the Computer Generated Imagery for Elgin Town Hall and Cooper Park in 2019/20. Discretionary Housing Payments are funded through General Revenue Grant and the final funding is confirmed at the year end. The underspend of £29,000 at the year end is requested to be carried forward and used to meet ongoing claims.

4.3 The Community Planning projects budget was underspent by £21,000 in 2018/19. This budget is partly funded by contributions from Community Planning Partners (CPP) and it is appropriate that their funding contributions are carried forward for the purpose intended. If approved the Community

Planning Officers Group plan to allocate £25,000 towards extending the funding of the temporary post of Community Support Officer to support local communities in the development and subsequent delivery of locality plans.

- 4.4 £345,000 additional funding was allocated for temporary accommodation in 2018/19 as part of the budget setting paper agreed by Moray Council on 14 February 2018 (para 10 of the minute refers). Expenditure of £102,000 was incurred during the year and a balance of £243,000 was left at the end of 2018/19. As part of the reconfiguration of temporary accommodation £15,000 is required in 2019/20 towards furniture for the temporary accommodations.
- 4.5 There was unspent grant monies of £39,000 in 2018/19 for the Syrian Resettlement Programme. It is requested that this is carried forward into 2019/20 to continue to deliver English language classes.

## 5. **GENERAL RESERVES**

- 5.1 The balance on General Reserves as at 31 March 2018 was £18,653,000. This comprised £448,000 ring-fenced DSM budget; £196,000 ring fenced Early Years Childcare expansion; £569,000 Pupil Equity Funding and £345,000 other ear-marked funds. The available free balance as at 31 March 2019 was therefore £17,095,000.
- 5.2 Use of general reserves amounting to £4,819,000 was required to fund expenditure in 2018/19. Consequently the balance on general reserves at 31 March 2019 is £12,276,000.
- 5.3 When the budget for 2019/20 was set, £3,812,000 from general reserves was required to balance the budget. A further £200,000 (full year effect in 2020/21 - £250,000) was approved to be funded from reserves in 2019/20 at Moray Council on 8 May 2019 (paragraphs 9 and 17 of the draft minute refer).
- 5.4 The total commitments against general reserves currently approved leave the following free balance:

	<b>£000s</b>	<b>£000s</b>
Opening balance		17,095
Deficit for 2018/19, net of DSM balance carried forward		(4,819)
		-----
		12,276
<b>Less</b> current commitments against reserves		
To balance the 2019/20 budget	3,812	
Approved by Moray Council on 8 May 2019	200	
Proposed further commitments	118	
Proposed net budget reduction	(1,121)	
<b>Proposed use of reserves in 2019/20</b>	<b>3,009</b>	
<b>Estimated free balance @ 31 March 2020</b>		<b>9,267</b>

- 5.5 The Council's Reserves Policy, approved on 31 October 2018 (paragraph 4 of the Minute refers) is to retain a free balance on general reserves of £5 million or around 2.5% of the net General Services Revenue Budget. This amount was assessed by taking a view of the risks the council is exposed to which could result in unbudgeted spend. That risk review does not encompass all potential calls on the Council's reserves.
- 5.6 As budget pressures crystallise they are included in the draft budget for the year. There are potential budget pressures emerging which have not yet been included in the draft budget but which could result in a call on reserves. In particular, the cost of early retirement concomitant on budget savings is not included as a budget pressure. The cost of exit packages can now be funded from capital receipts, but only if the exit package is part of a transformation project. Exit packages cost the Council £1.5 million in 2018/19 and budget savings of a similar order to those approved in February 2019 are projected for the next three years, as discussed in section 6 of this report. It is therefore highly likely that exit packages will require to be funded by reserves in 2019/20.
- 5.7 Further potential budget pressures are: the cost of clearing land at Bilbohall for housing; potential for significant unplanned maintenance works at schools, taking into account the condition of many of the school buildings; potential cost of landfill (referred to in paragraph 6.3 below).
- 5.8 These issues will be reviewed and are likely to result in a recommendation that a portion of the free general fund reserves is ear-marked to make provision for expenditure on exit packages and possibly for other eventualities.

## 6. **SAVINGS**

- 6.1 It is crucial that the Council places emphasis on the medium term for financial planning purposes, as significant savings are projected to be required for 2020/21 and 2021/22 and general reserves are projected to be reduced to the minimum level agreed by Council in its Reserves Policy on 31 October 2018 (paragraph 4 of the Minute refers) during this period.
- 6.2 When the Council approved its budget for 2019/20 on 27 February 2019 (paragraph 4 of the Minute refers), it had before it the following projected savings:

2019/20	2020/21	2021/22
£M	£M	£M
10.3	12.2	7.1

Savings of £10.3 million had been identified for 2019/20, but only £2.3 million for 2020/21 and £0.4 million for 2021/22.

- 6.3 At its meeting on 8 May 2019, Council approved budget amendments (paragraphs 9 and 17 refer) totalling £200,000 (full year effect £250,000). These will be funded from reserves in 2019/20 and add to the savings required to be found in 2020/21. In addition to this, there is an emerging one-off budget pressure estimated to be in the order of £3 million for waste

disposal between the ban on landfill coming into effect on 1 January 2021 and the NESS energy from estate plant becoming operative. This one-off pressure can now be funded from reserves, given the improved position reported above. Accordingly, the savings target for 2020/21 is now £12.4 million.

- 6.4 Recurring variances from 2018/19 will assist the Council in 2019/20 and contribute £1,121,000 towards the savings target in 2020/21.
- 6.5 As noted in paragraph 7(d) below, savings are increasingly difficult to find as the Council reaches its ninth year of successive significant budget savings. The Council managed to achieve most of the savings approved in 2018/19, with additional savings being found to cover those not made. Savings for 2019/20 will be monitored in the usual way, and any at risk of not being made reported to the Corporate Management Team as soon as the risk of failure is identified. It is early in the year to judge how successful budget managers will be in achieving savings, but it can be reported that the saving approved by charging for garden waste permits has been achieved, with the target of £699,000 additional income being met in the first week of June.

## **7. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective budget management is essential for the delivery of council services on a sustainable basis.

### **(b) Policy and Legal**

No policy or legal implications arise directly from this report.

### **(c) Financial implications**

Financial implications are discussed throughout the report. Use of the council's general reserves as at 31 March 2019 was £4,819,000, £2,032,000 less than forecast at 31 December 2018.

£118,000 is recommended to be added to the budget for 2019/20 from reserves to meet outstanding commitments (paragraph 4.1).

Net on-going additional savings of £1,121,000 have been identified and recommended to be implemented (paragraph 3.7).

### **(d) Risk Implications**

The council is aware of the risks it faces in relation to the current range of services not being financially sustainable.

Another significant risk is that, as reported on a number of occasions, staff are stretched in many areas and the council is reliant on the goodwill of staff to a degree that is of concern to the Corporate Management Team.

A further risk arises from the funding commitment to meet 50% of any budget deficit incurred by the Moray Integration Joint Board. When the

budget was set a shortfall of £4.5 million against current commitments and projected expenditure was noted.

An additional significant risk is that savings are increasingly difficult to make and therefore there is a higher risk of approved budget savings not being achieved.

**(e) Staffing Implications**

As indicated in the risk implications above, there are concerns about the level of goodwill that is required from staff. In the short term this is acceptable for many employees, but it presents serious risks for individuals and the service the council is able to sustain in the medium and longer term.

**(f) Property**

No property implications arise directly from this report.

**(g) Equalities**

No equalities implications arise directly from this report.

**(h) Consultations**

The Corporate Management Team, has been consulted and comments incorporated into the report.

**8. CONCLUSION**

**8.1 This report identifies the council's final out-turn position on the General Fund as at 31 March 2019 and identifies major areas of variance between budget and actual for 2018/19. It also compares the actual out-turn with the forecast reported to Moray Council based on the position at 31 December 2018.**

**8.2 In addition to previous commitments to use general reserves, which total £4,012,000, the report recommends the use of Council reserves totalling £118,000 for projects which did not complete in 2018/19.**

**8.3 The report also recommends a reduction to the net budget of £1,121,000 to reduce ongoing variances in 2019/20. These reductions would reduce the commitments against general reserves, resulting in a projected free balance of £9,267,000.**

Author of Report: Deborah O'Shea, Principal Accountant

Background Papers:

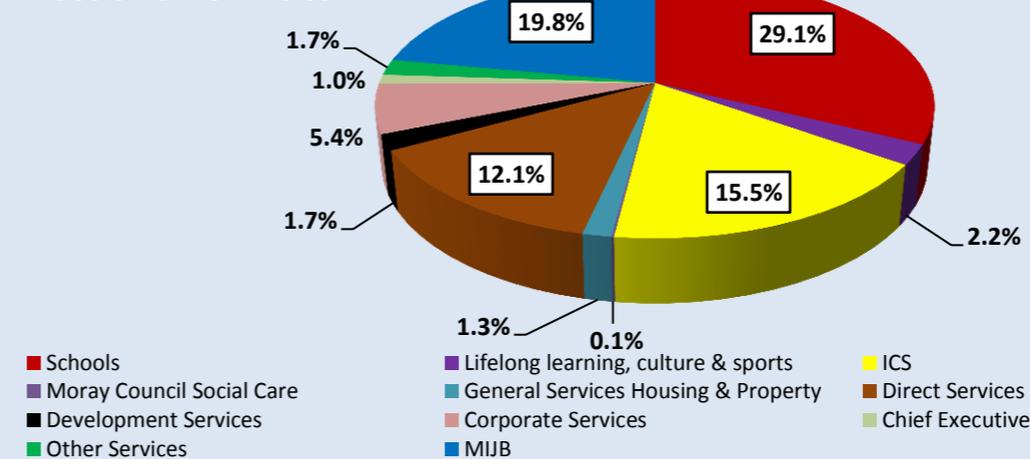
Ref: LP/LJC/

**Moray Council Outturn v Forecast  
As at 31st March 2019**

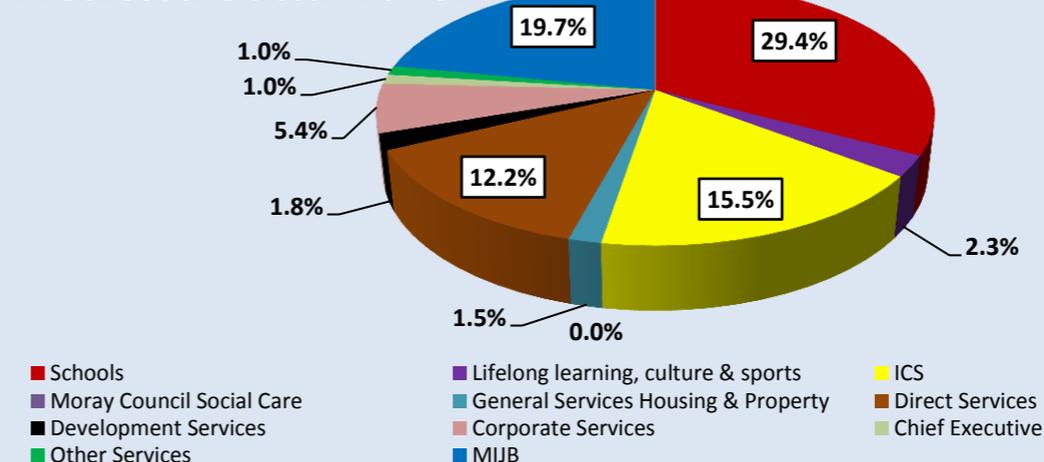
**SERVICE**

	Actual £'000s	Forecast Outturn at 31.12.19 £'000s	Var vs Prediction £'000s
Schools	58,666	59,973	1,307
Lifelong learning, culture & sports	4,469	4,648	179
ICS	31,274	31,653	379
Moray Council Social Care	240	0	(240)
General Services Housing & Property	2,559	2,956	397
Direct Services	24,446	24,925	479
Development Services	3,488	3,602	114
Corporate Services	10,893	10,944	51
Chief Executive	2,074	2,109	35
Other Services	3,512	2,045	(1,467)
<b>SERVICES excl MIJB</b>	<b>141,621</b>	<b>142,855</b>	<b>1,234</b>
MIJB	40,032	40,146	114
<b>TOTAL SERVICES incl MIJB</b>	<b>181,653</b>	<b>183,001</b>	<b>1,348</b>
Loans Charges	20,092	20,246	154
Provision for Contingencies and Inflation	0	(46)	(46)
Additional Costs	0	(279)	(279)
Unallocated Savings	0	787	787
<b>TOTAL PROVISIONS</b>	<b>0</b>	<b>462</b>	<b>462</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>201,745</b>	<b>203,709</b>	<b>1,964</b>

**Actual % of Total**



**Predicted Outturn % of Total**



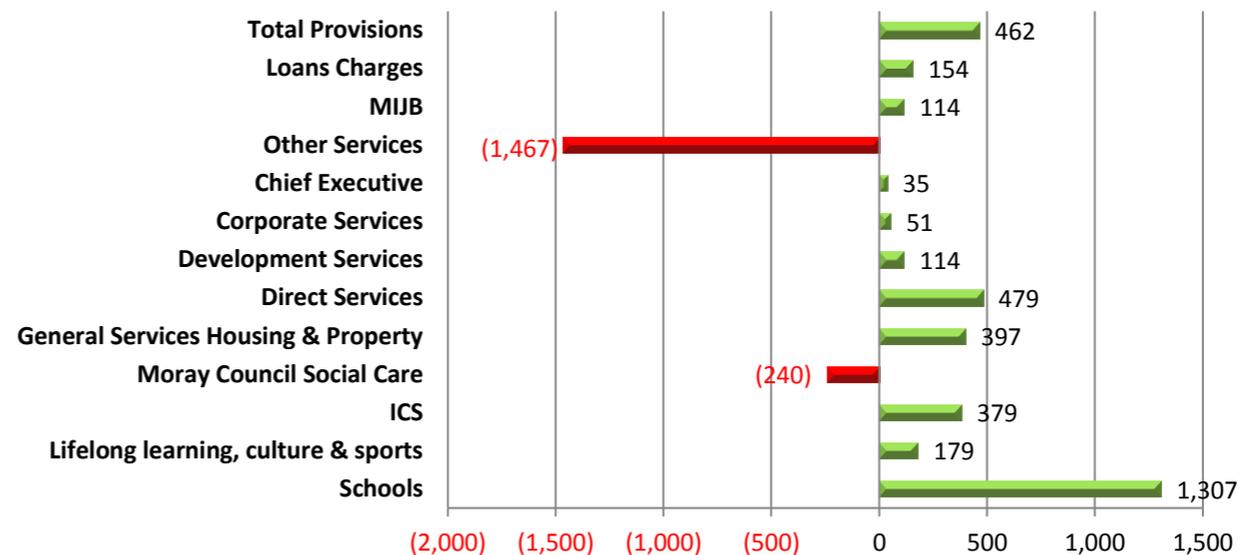
**Commentary**

Schools : larger underspends in DSM, PEF & ELC than expected

Direct : increase in vacancy factor, income for transportation and lower infrastucture maintenance costs

Other : higher than expected costs of early retirement

**Variance vs Prediction £000's**

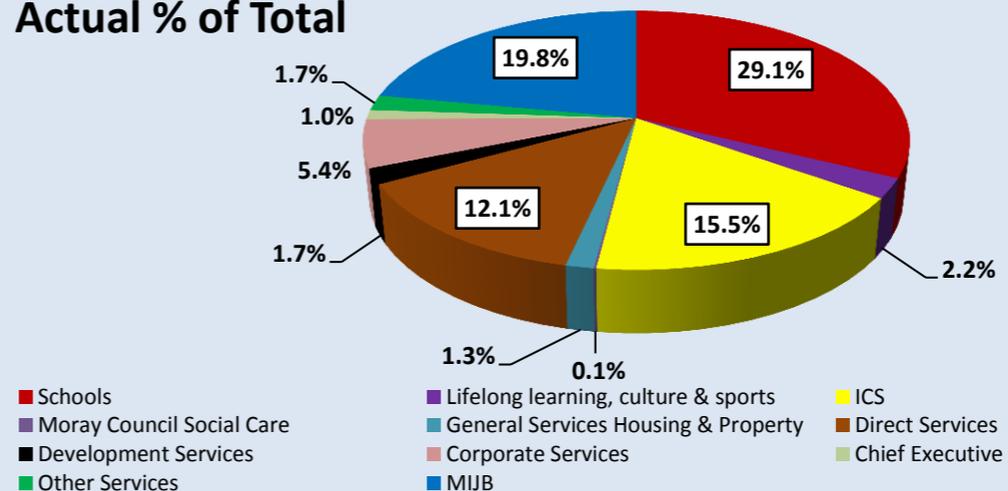




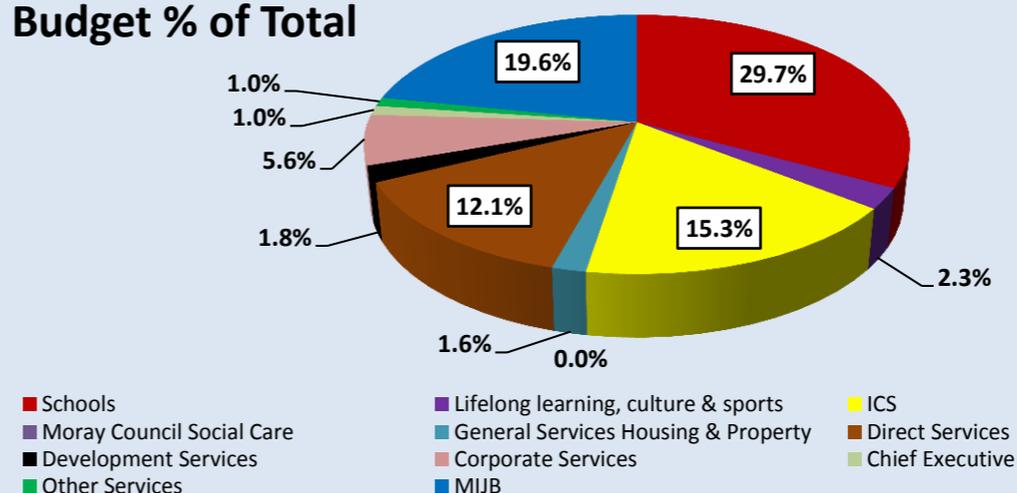
**Moray Council Outturn report**  
**As at 31st March 2019**

SERVICE	Actual £'000s	Budget £'000s	Var vs Budget £'000s
Schools	58,666	59,934	1,268
Lifelong learning, culture & sports	4,469	4,681	212
ICS	31,274	30,854	(420)
Moray Council Social Care	240	0	(240)
General Services Housing & Property	2,559	3,131	572
Direct Services	24,446	24,414	(32)
Development Services	3,488	3,674	186
Corporate Services	10,893	11,335	442
Chief Executive	2,074	2,116	42
Other Services	3,512	2,006	(1,506)
<b>SERVICES excl MIJB</b>	<b>141,621</b>	<b>142,145</b>	<b>524</b>
MIJB	40,032	39,591	(441)
<b>TOTAL SERVICES incl MIJB</b>	<b>181,653</b>	<b>181,736</b>	<b>83</b>
Loans Charges	20,092	20,640	548
Provision for Contingencies and Inflation	0	(1,822)	(1,822)
Additional Costs	0	46	46
Unallocated Savings	0	977	977
<b>TOTAL PROVISIONS</b>	<b>0</b>	<b>(799)</b>	<b>(799)</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>201,745</b>	<b>201,577</b>	<b>(168)</b>

**Actual % of Total**



**Budget % of Total**



**Commentary**

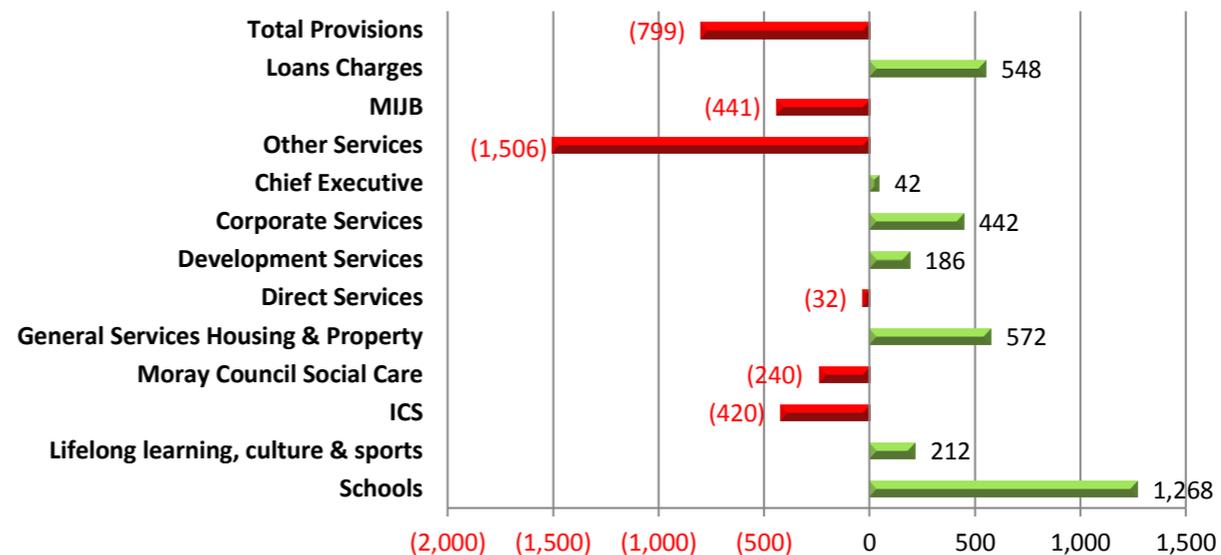
Schools: DSM budget underspend by £625k, PEF earmarked reserve underspent by £583k

Other: overspend due to the one off costs of early retirement.

MIJB: Moray Council's element of the actual overspend incurred at year end.

Loan charges: Underspend due to slippage on the capital program and the policy relating to the capitalisation of interest.

**Variance vs Budget £000's**








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**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: CAPITAL PLAN 2018/19**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 To advise Council of the expenditure to 31 March 2019 under the capital plan for financial year 2018/19 and to recommend budget adjustments for inclusion in the 2019/20 Capital Plan and future years.
- 1.2 This report is submitted to committee in terms of Section II (24) of the Council's Scheme of Administration relating to consideration of the annual estimate for capital expenditure.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:-**

- (i) considers and notes the expenditure to 31 March 2019 of £27,909,000, as set out in APPENDIX 1;**
- (ii) considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2; and**
- (iii) approves carry forwards to 2019/20 and future years totalling £2,152,000 as detailed in section 5.**

**3. BACKGROUND**

- 3.1 The capital plan for 2018/19 of £54,096,000 was approved by a meeting of Moray Council on 14 February 2018 (para 9 of the Minute refers). Amendments approved by Council and by Policy and Resources Committee since this date have been incorporated to give a current approved capital plan for 2018/19 of £30,684,000.
- 3.2 Regular monitoring reports are provided to Policy and Resources Committee or to Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report "Major Capital Investment in Councils" (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 2**,

giving details of expenditure on projects which span more than one financial year.

#### **4. CAPITAL PLAN 2018/19**

4.1 A copy of the capital plan is attached as **APPENDIX 1**. Expenditure to 31 March 2019 of £27,909,000 has been funded by General Capital Grant of £25,898,000 from the Scottish Government, specific government grants of £131,000, other grants and contributions of £957,000 and Design, Build, Finance and Maintain (DBFM) funding of £923,000 for the new Elgin High School.

#### **4.2 Land and Buildings**

The Capital Plan included budget provision of £18,805,000 for expenditure on land and buildings. Actual expenditure totalled £17,546,000. The detail of this is discussed below.

4.2.1 Current budget of £2,984,000 on the Schools Essential Works Programme was approved with actual expenditure of £2,851,000. A number of projects within this heading are phased works over several years with the second phase being completed during 2018/19. Variances within this budget heading include:-

- East End Primary mechanical and electrical works which out-turned at £210,000, representing a saving of £105,000.
- Works at Cluny Primary, Forres Academy, New Elgin Primary and Andersons Primary are phased projects over a number of years and show a combined underspend of £114,000, which will be required in 2019/20 in order to complete the projects.
- Speyside High School condition D works, budgeted at £14,000 in 2018/19 incurred final costs of £25,000. In addition preliminary costs of £12,000 were incurred for water services replacement works which are budgeted for as part of the 2019/20 Make Do and Mend budget.
- Hopeman Primary School out-turned £42,000 representing an overspend of £37,000. This is due to ceiling improvement works, budgeted for in revenue, more accurately reflected as capital.
- Keith Grammar School Building Works, budgeted for as part of the 2019/20 Make Do and Mend allocation, out-turned preliminary costs of £26,000 in 2018/19.

4.2.2 Preliminary costs of £2,000 have been incurred for Accessibility works at Aberlour Primary, budgeted for in 2019/20. Preliminary costs of £4,000 for a new primary school at Findrassie Elgin have been incurred in 2018/19, budgeted for in future years.

4.2.3 Legionella works show an outturn of £39,000 against a budget of £35,000. The Fire Safety budgets out-turned £293,000 against a revised budget of £249,000. However expenditure is below the original 2018/19 budget of £352,000.

4.2.4 The bus drop off point at East End Primary out-turned £46,000, representing a small budget saving of £4,000.

- 4.2.5 Schools for the Future – Works are complete at all 4 primary schools included within this project, namely Applegrove, Millbank, Seafield and St Gerardines. The total budget for this project is £21.36m. Although final retention payments on the contract remain outstanding, the underspend of £293,000 in this financial year will be part of an estimated overall saving over the whole project of £1.453m, as summarised in **Appendix 2**.
- 4.2.6 Milnes Primary School Early Learning and Childcare – the main project is complete and shows an outturn of £905,000 from a budget of £1,032,000. Further work relating to the water tanks is outstanding and it is anticipated that this will commence during Summer 2019.
- 4.2.7 Works on site are ongoing for the new Linkwood Primary School which out-turned £1,012,000 from a budget of £1,200,000. The project remains on target for completion in June 2020.
- 4.2.8 Works are ongoing for the new Lossiemouth High School which out-turned £9,132,000 from a budget of £9,439,000. The project remains on target for completion by August 2020.
- 4.2.9 The new Elgin High School (DBFM) project was completed in 2018/19, with final DBFM capital contract costs of £923,000. In addition, costs of £32,000 have been incurred for the new Elgin High School relating to completion of cycle track provision and also to ICT network provision.
- 4.2.10 Early Learning and Childcare expansion projects out-turned £1,058,000 in 2018-19 from a revised budget of £900,000. Expenditure was incurred on several projects including Lady Cathcart Buckie, Cullen nursery and Pilmuir nursery. Preliminary expenditure was also incurred on refurbishment projects planned for 2019/20 including at Lhanbryde, Burghead and New Elgin Primary Schools. Grant funding of £2,400,000 was received in 2018/19 from the Scottish Government which has confirmed that, although the grant funding is ring-fenced, there is flexibility as to the financial year in which it may be used to fund the approved early years projects.
- 4.2.11 Expenditure of £3,000 was incurred on public facilities from the budget allocation of £15,000.
- 4.2.12 The complex housing needs facility in Lhanbryde has incurred final expenditure of £62,000 in 2018/19. This represents an overspend of £59,000 from the approved budget of £2,558,000, as detailed in **Appendix 2**.
- 4.2.13 Upgrades to Cameron Park Brae hostel out-turned £70,000. This was originally budgeted for in revenue but is more accurately reflected in capital.
- 4.2.14 Expenditure of £201,000 was incurred on the industrial portfolio, primarily on completion of site servicing at March Road Buckie and refurbishment work at West Road Forres and Isla Bank Mills Keith. This has resulted in a saving of £57,000. No expenditure has been incurred in relation to land acquisition in Forres and site servicing work at Chanonry Elgin is now planned for 2019/20, resulting in a budget underspend of £54,000 in 2018/19.

- 4.2.15 Expenditure of £972,000 has been incurred during 2018/19 on waste management projects. The major underspends relate to the new integrated waste facility at Moycroft and the recycling centre facilities upgrades which showed underspends of £366,000 and £77,000 respectively. Works are ongoing at Moycroft and are due to be completed in 2019/20, while upgrade works at Gollachy recycling centre were put on hold.
- 4.2.16 The original business case for Moycroft depot included the demolition of the roads modular offices and relocation of the roads staff into vacated space left by environmental protection staff that were moving to new premises in Moycroft. This is required to upgrade the remaining offices.
- 4.2.17 The results of a recent refurbishment asbestos survey identified that the existing wall cladding had asbestos content and would require specialist licenced contractor removal at significant extra cost. Consequently, it was concluded that the full work content would not go ahead and this will be subject to a future detailed business case with full options appraisal. In the meantime, the life expired roof over the critical ICT servers and toilet areas will be replaced to provide business continuity for the existing building up to 5 years.
- 4.2.18 The roads staff will remain in the existing offices. There is no risk to staff as the asbestos is contained. There is no increased cost to the project as a result of this change, as the interim costs for the roof are within existing budget provision and these modular offices are the subject of a wider review of Council depots.
- 4.2.19 There was a small overspend of £15,000 relating to the NESS energy project due to the acquisition of land at the proposed site.
- 4.2.20 No expenditure was incurred in 2018/19 for replacement burial grounds, however further ground investigation and geology testing is planned in 2019/20 at the Elgin site.
- 4.2.21 Legionella and Fire Risk works in corporate buildings out-turned £37,000 representing a minor underspend of £3,000 while depot maintenance works, mainly at Ashgrove Depot Elgin, out-turned £60,000 representing a minor underspend of £6,000.
- 4.2.22 Energy efficiency projects out-turned £121,000 from a budget of £85,000, including expenditure of £98,000 on lighting in schools and leisure facilities and £22,000 on water controls in schools. Part of this expenditure was budgeted for in revenue but is more accurately reflected in capital.

#### 4.3 **Infrastructure**

The Capital Plan included provision of £7,981,000 for expenditure on infrastructure. Actual expenditure totalled £6,837,000. The detail of this is discussed below.

- 4.3.1 Expenditure on road safety projects totalled £311,000 against a budget of £479,000. Road safety provision has an underspend of £85,000 due in part to a delay on delivering a signalised junction in Lossiemouth because of a lack of agreement with the potential matchfunder during the scheme development. In addition, delivery of a vehicle activated sign warning of pedestrians

crossing on the B9040 has been delayed by the manufacturer. Road safety barriers shows an underspend of £89,000. A new model for reprioritising replacement barriers has been developed and a prioritised list was finalised early this year.

- 4.3.2 Road improvements including carriageway resurfacing, reconstruction and surface dressing, timber traffic works, footways and drainage works out-turned £3,115,000 from a budget of £3,472,000, representing an overall underspend of £357,000. A number of forestry roads have been surface dressed this year which did not require any pre-patching prior to surfacing works being completed. Footways and drainage works were underspent mainly due to priority being given, as much as possible, during the year to completion of carriageway works. Footway maintenance will be given greater priority in 2019/20.
- 4.3.3 Bridge works out-turned £352,000 from a budget of £401,000. There are budget savings of £56,000 following completion of works at Glenernie Bridge, Logie Bridge and Seatown Bridge. Remote footbridges showed an underspend of £24,000 and Arthurs Bridge an underspend of £6,000 due to a lack of staff resources to progress these projects. Craigellachie Bridge shows an overspend of £50,000, with the works budgeted for in 2019/20.
- 4.3.4 Street lighting out-turned £1,629,000 from a budget of £1,759,000. The replacement of SOX and SON streetlights with energy efficient LED units shows an underspend of £112,000 as slightly fewer units were installed during the year, 4,751 units against the target of 5,000. In addition, operational efficiencies through buying units in bulk has reduced the unit price per lantern. Currently there is an estimated overall saving of £783,000 as detailed in **Appendix 2**.
- 4.3.5 Flood alleviation and flood risk management schemes out-turned £87,000 from a budget of £380,000. Preliminary fees of £53,000 have been incurred for protection schemes at Portgordon and Lossiemouth Seatown. Final costs of £25,000 have been incurred for the completed schemes at Dallas and Newmill. The schemes at Elgin and Forres (River Findhorn and Pilmuir) are operational but there are compensation claims that need to be agreed before these budgets can be closed, the timing and value of which are uncertain. Expenditure of £9,000 from a total budget of £250,000 has been incurred for the compensation payments in 2018/19.
- 4.3.6 Harbours out-turned £676,000 from a budget of £519,000. Work on the North Pier in Buckie is ongoing and shows expenditure of £621,000 in 2018/19 from a budget of £450,000. The overspend of £171,000 is due to timing difference only with the balance of budget held in 2019/20. Overall the project is within budget.
- 4.3.7 The project to repair landslips at Portknockie started approximately one month later than planned with expenditure of £356,000 incurred from the budget of £500,000. The work at Portknockie is expected to be complete by the end of August and to be within budget.
- 4.3.8 Harbours Economic Development out-turned £39,000 from a budget of £199,000. Works to refurbish Buckie Fishmarket are ongoing and are expected to be completed by the end of June 2019. Buckie Harbour

infrastructure improvements project to provide an ice plant and fuel tank is delayed pending a decision on external funding (European Maritime and Fisheries Fund).

#### **4.4 Vehicles, Plant and Equipment**

The Capital Plan included provision of £3,898,000 for expenditure on vehicles, plant and equipment. Actual expenditure totalled £3,526,000. The detail of this is discussed below.

- 4.4.1 Replacement swimming pool and fitness equipment out-turned £21,000 from a revised budget of £14,000, the original budget having been £50,000. Fitness equipment for Moray Leisure Centre out-turned £214,000 from a budget of £226,000.
- 4.4.2 The vehicle replacement budget of £1,788,000 was fully committed but delays in delivery of 3 items of plant resulted in an underspend of £126,000. These items have recently been delivered. In addition, the purchase of an electric bus out-turned £283,000 from a budget of £290,000.
- 4.4.3 The Equipment (Economic Development and Infrastructure Services committee) budget heading, which includes a number of projects, has out-turned £341,000 from a budget of £346,000.
- 4.4.4 The ICT core programme out-turned £872,000 from a budget of £1,166,000. All projects were underspent with the major underspends showing in servers infrastructure projects at £151,000, network infrastructure at £35,000, desktop and mobile devices at £45,000 and software at £36,000.
- 4.4.5 As reported to Policy and Resources Committee on 12 February 2019, there is unbudgeted expenditure of £32,000 for final implementation costs of the Moray Integration Joint Board Occupational Therapy stock system (para 8 of the Minute refers).
- 4.4.6 The CCTV systems project shows an overspend in 2018/19 of £35,000, giving total expenditure over a number of years of £91,000. As reported to Policy and Resources Committee on 12 February 2019, the total budget for this project, across several years, was £60,000, resulting in a final overall overspend of £31,000, due to a requirement for the purchase of additional equipment to operate the entire system wirelessly across all CCTV locations in Moray. This was a spend-to save project and annual revenue budget savings of £30,000 are now being achieved.
- 4.4.7 The Council is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme and has purchased allowances during 2018/19 of £53,000. The correct accounting treatment of this purchase is to capitalise the allowances and so the purchase is included within the capital plan.

### **5. CARRY FORWARD TO CAPITAL PLAN 2019/20 AND FUTURE YEARS**

- 5.1 Budget managers have requested carry forward of some of the budget underspends and overspends in 2018/19, reflecting amended timing of expenditure. Net carry forwards of £2,152,000 are recommended, as summarised in this table. The reasons for this are discussed below.

	2019/20 £000s	Future Years £000s	Total £000s
Land and Buildings	1,043	(4)	1,039
Infrastructure	667	228	895
Vehicles, Plant & Equipment	218	-	218
<b>Total</b>	<b>1,928</b>	<b>224</b>	<b>2,152</b>

## 5.2 Land and Buildings

Carry forwards totalling £1,039,000 are recommended for expenditure on land and buildings.

5.3.1 **Schools Make Do and Mend Programme** – A number of minor budget carry forwards totalling £76,000 are recommended. Works at Cluny Primary, Forres Academy, New Elgin Primary and Andersons Primary are phased projects over a number of years and show a combined underspend of £114,000 in 2018/19, which will be required in 2019/20 in order to complete the projects. Furthermore, it is recommended that the budget for schools make do and mend in 2019/20 is reduced by the costs of the preliminary works carried out in 2018/19, a total of £38,000 which was incurred at Speyside High School and Keith Grammar School.

5.3.2 **Other Schools** - It is recommended that schools accessibility budget for 2019/20 is reduced by £2,000 for preliminary costs incurred at Aberlour Primary in 2018/19 and that future years budget for the new Findrassie Primary School is reduced by £4,000 for preliminary costs incurred in 2018/19.

5.3.3 **Milnes Primary School – Early Learning and Childcare (ELC)** – The main project is complete. Further works relating to the water tanks are still required and it is anticipated that these will commence in the summer of 2019. It is recommended that the budget balance of £127,000 is carried forward in full to 2019/20.

5.3.4 **New Linkwood Primary School in South Elgin** – The project to construct a new primary school in South Elgin has an approved budget of £12.8 million, including budget of £1,200,000 in 2018/19. Works commenced on site in 2018/19 with a target completion date of June 2020. It is recommended that the budget balance of £188,000 is carried forward in full to 2019/20.

5.3.5 **Lossiemouth High School** – The project to construct a new secondary school in Lossiemouth has an approved budget of £42.3 million, to be funded by Government grant of £26.39 million with Moray Council funding the balance of £15.9 million. The main contract was signed on 17 December 2018 at a final price of £41.819m. The project is still on target for completion by August 2020. It is recommended that the budget balance of £307,000 is carried forward in full to 2019/20.

5.3.6 **Early Learning and Childcare Expansion projects** – These projects are fully funded by the Scottish Government with the projects covering a number of financial years. It is recommended that the 2019/20 budget is reduced by £158,000 to match the overspend in 2018/19 arising from timing differences.

## 5.4 Land & Buildings – Economic Development & Infrastructure Services

5.4.1 **Industrial Estates** – It is requested that Council approve the carry forward of budget of £24,000 from 2018/19 to 2019/20 in order to allow for site works at Chanonry Elgin to progress, with the expectation of future rental lease income following completion of the works.

5.4.2 **Dallachy Landfill Site** – It is requested that Council approve the carry forward of budget of £27,000 from 2018/19 to 2019/20 for ongoing landfill cell and reinstatement works at Dallachy Landfill Site.

5.4.3 **Integrated Waste Facility Moycroft**– This ongoing project to redevelop and consolidate waste facilities at Moycroft in Elgin is due to complete in January 2020 therefore approval is requested to carry forward budget of £366,000 from 2018/19 to 2019/20.

5.4.4 **Recycling Centre Facilities Upgrade** – It is requested that Council approve the carry forward of budget of £77,000 from 2018/19 to 2019/20 to allow for upgrade works at Gollachy Buckie and to the public area of Dallachy Landfill Site.

5.4.5 **Replacement Burial Grounds Elgin** - No expenditure was incurred in 2018/19 for replacement burial grounds, however further ground investigation and geology testing is planned in 2019/20 at the Elgin site. Therefore approval is requested to carry forward budget of £11,000 from 2018/19 to 2019/20.

## 5.5 **Infrastructure**

Carry forwards totalling £895,000 are recommended for expenditure on infrastructure projects.

5.5.1 **Road Safety Measures** – Due to slippage in the road safety provision programme it is requested that budget of £85,000 is carried forward from 2018/19 to 2019/20. Similarly, it is requested that budget of £89,000 is carried forward from 2018/19 to 2019/20 due to slippage in the road safety barrier provision programme.

5.5.2 **Road Improvements** – It is requested that Council approve carry forward of budget of £77,000 from 2018/19 to 2019/20 for carriageway resurfacing, reconstruction, surface dressing to address the decline in the Council's A class road network which has now fallen beyond the Scottish mid-table position that the Council aimed to achieve. Similarly it is requested that Council approve carry forward of budget of £108,000 from 2018/19 to 2019/20 for footways and reallocate this to carriageways to help address the decline in A class roads detailed earlier. A number of schemes under the heading of drainage and other works were unable to be completed due to other priorities and therefore it is requested that Council approve the carry forward of budget of £157,000 from 2018/19 to 2019/20.

5.5.3 **Bridges – strengthening and replacement** – Following on from the preliminary work, the main works at Glenlivet Bridge will be undertaken in 2019/20 and it is requested that Council approve the carry forward of budget of £4,000 from 2018/19 to 2019/20. The main phase one works for Craigellachie Bridge are budgeted in 2019/20 and this budget will be reduced by £50,000 to reflect costs already incurred in 2018/19. The project to install

traffic lights at Arthurs Bridge was delayed due to electricity supply issues with expenditure incurred in 2018/19 of £28,000. Therefore it is requested that Council approve budget carry forward of £6,000 from 2018/19 to 2019/20 for completion of the works in 2019/20. Due to lack of staffing resource, £24,000 of the remote footbridges budget remained unused. It is requested that Council approve the carry forward of budget of £24,000 from 2018/19 to 2019/20 in order to complete the scheduled programme.

- 5.5.4 **Replacement columns and lights** – A column replacement scheme was cancelled in 2018/19 and it is intended to carry out these works in 2019/20, therefore it is requested that Council approve the carry forward of budget of £18,000 from 2018/19 to 2019/20.
- 5.5.5 **Flood Alleviation Schemes** – Potential land compensation payments remain as the principal outstanding issue for the flood alleviation schemes in Elgin, and Forres (River Findhorn & Pilmuir) with the timing and value of these remaining uncertain. It is requested that Council approve the carry forward of budget of £100,000 and £128,000 respectively from 2018/19 to future years to allow for these potential payments.
- 5.5.6 **Harbours – Life expired items and upgrades** – There is a rolling programme of works to replace life expired items and upgrade facilities at harbours in Moray. It is requested that Council approve a budget reduction of £171,000 in 2019/20 for Buckie Harbour to reflect the timing difference of expenditure incurred in 2018/19 and budgeted for in 2019/20. Due to other priorities, an underspend of £16,000 was recorded against Findochty Harbour and it is requested that this is carried forward from 2018/19 to 2019/20.
- 5.5.7 **Portknockie Landslip** – Works are ongoing with an anticipated completion date of June 2019. It is requested that Council approve the carry forward of budget of £144,000 from 2018/19 to 2019/20 to complete the works.
- 5.5.8 **Harbours Economic Development** – Works to refurbish the fishmarket in Buckie are ongoing and it is requested that Council approve budget carry forward of £28,000 from 2018/19 to 2019/20. The project to provide ice plant facilities and fuel tank facilities at Buckie is still awaiting confirmation of external funding. If approved the project would go ahead in 2019/20, therefore it is requested that Council approve the carry forward of budget of £132,000 from 2018/19 to 2019/20.

## 5.6 **Vehicles, Plant & Equipment**

- 5.6.1 **Moray Leisure Centre** – expenditure on replacement equipment was completed mainly in 2018/19 but with a small quantity received in 2019/20. Therefore it is requested that Council approve the carry forward of budget of £12,000 from 2018/19 to 2019/20.
- 5.6.2 **Vehicle & Plant Replacement Programme** - Due to the late delivery of 3 items of plant, which have now arrived, it is recommended that Council approve the carry forward of budget of £126,000 from 2018/19 to 2019/20.
- 5.6.3 **Traffic Signal Replacement** – Due to slippage, the changes to remote signals planned for 2018/19 are now scheduled for 2019/20, therefore it is

requested that Council approve a carry forward of budget of £5,000 from 2018/19 to 2019/20.

5.6.4 **ICT Programme** – It is requested that Council approve carry forward of budgets from 2018/19 to 2019/20 for a number of ICT projects. A carry forward of £52,000 is requested within the servers infrastructure budget heading to expand the capacity of the server infrastructure to support Windows 10 project. A carry forward of £5,000 is requested within the network infrastructure project heading to meet commitments made in 2018/19 for firewall upgrades. A carry forward of £13,000 is requested within the desktop and mobile devices project heading to meet commitments made in 2018/19 for thin client devices. A carry forward of £5,000 is requested within the Schools ICT strategy budget heading to meet commitments made in 2018/19 for Wi-Fi cabling works for curriculum development.

## **6. RISK AND EMERGING ISSUES**

- 6.1 Budget managers have been requested to identify any specific areas of risk for the projects in the Capital Plan for which they are responsible.
- 6.2 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales. This can impact on revenue by increasing repairs costs for vehicles due to be replaced.
- 6.3 Land compensation claims remain a risk for the major flood alleviation scheme at Forres.
- 6.4 Projects such as the new build Linkwood Primary School can be subject to risks which are outwith the direct control of the Council.
- 6.5 Poor weather conditions can impact project timescales, as identified for Roads Drainage works and harbours renovation works. Unplanned costs can be occasioned by bad weather events.
- 6.6 Lack of staff resources and staff turnover can impact on project timescales.
- 6.7 Other emerging work priorities can impact on scheduled works.
- 6.8 There is a potential risk to grant funding of the new Lossiemouth High School should the project not complete on time.
- 6.9 Some projects have been deferred in response to the council's financial situation. There is a risk that contract inflation might increase the eventual cost of these projects and a risk that any deferment of projects relating to asset condition might result in element failure.
- 6.10 No other project risks have been specifically identified by budget managers.

## **7. SUMMARY OF IMPLICATIONS**

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**  
Effective budget management is an essential component of delivery of Council priorities on a sustainable basis.

The capital plan is one of the vehicles through which the council's priorities can be delivered. The approved capital plan for 2018/19 and the outline ten year plan incorporates measures designed to address the Moray 2026 priorities of achievement and attainment by children and young people, adults leading safer lives and sustainable economic development.

**(b) Policy and Legal**

There are no policy or legal implications arising directly from this report.

**(c) Financial Implications**

The financial implications are highlighted within the report and **Appendices 1 and 2** to the report.

**(d) Risk Implications**

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Council in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 6 of the report.

**(e) Staffing Implications**

There are no staffing implications arising directly from this report.

**(f) Property Implications**

There are no property implications arising directly from this report.

**(g) Equalities/Socio Economic Impact**

There are no equalities issues arising from this report.

**(h) Consultations**

All capital budget managers have been consulted in the development of estimated actuals as part of the preparation of this report. All Heads of Service and the Corporate Management Team have been consulted and any comments incorporated in the report.

**8. CONCLUSION**

**8.1 Capital expenditure amounts to £27,909,000 to the end of March 2019.**

**8.2 Capital budget carry forwards of £2,152,000 are requested.**

Author of Report: Douglas McLaren, Accountant

Ref: DMcL/LJC/



**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

APPENDIX 1

**Summary Capital Programme**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Land and Buildings</b>						
Children and Young People's Services Committee	16,864	16,007	857	538	-4	534
Health and Social Care Committee	0	132	-132	0	0	0
Economic Development and Infrastructure Committee	1,750	1,174	576	505	0	505
Policy and Resources Committee	191	233	-42	0	0	0
<b>Infrastructure</b>						
Economic Development and Infrastructure Committee	7,981	6,837	1,144	667	228	895
<b>Vehicles, Plant and Equipment</b>						
Children and Young People's Services Committee	240	235	5	12	0	12
Economic Development and Infrastructure Committee	2,424	2,286	138	131	0	131
Policy and Resources Committee	1,234	1,005	229	75	0	75
	<b>30,684</b>	<b>27,909</b>	<b>2,775</b>	<b>1,928</b>	<b>224</b>	<b>2,152</b>
<b>FUNDING</b>						
Prudential Borrowing	2,011	0				
General Capital Grant (exc PSHG and CYP A)	10,126	9,467				
General Capital Grant - Children and Young Persons Act	2,400	2,400				
General Capital Grant - new Lossie High School	14,031	14,031				
Specific Capital Grants - CWSS, EMFF	131	131				
STTS grant funding	394	394				
Developer Obligations - (incl Elgin Transport Strategy 40%)	259	171				
G-PaTRA / Green Bus Fund	290	272				
Other Capital receipts to be generated in year	120	120				
DBFM - Elgin High	923	923				
	<b>30,684</b>	<b>27,909</b>				

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	<b>Capital Plan 2018-19 £000</b>	<b>Actual £000</b>
<b>Sale of assets</b>		
Receipts received		443
<b>Total sale receipts received</b>		<b>443</b>
CRC Allowances receipts		186
<b>Other grants / receipts</b>		
General Capital Grant (exc PSHG and CYPA)	10,126	10,057
General Capital Grant - Children and Young Persons Act	2,400	2,400
General Capital Grant new Lossie High School	14,031	14,031
Specific Capital Grants CWSS	131	131
Green Bus Fund	290	272
STTS grant funding	394	394
Hitrans/ERDF/Transport Scotland LCTT	56	56
Play Equipment Buckie & Keith	27	27
Electric Charge Point Elgin	37	37
<b>Developer Obligations Used</b>		
Developer Obligation - Elgin Transport Strategy	96	16
Elgin Car Parking	148	155
<b>Developer Obligations Received in 2019/20</b>		
Buckie High Area		42
Elgin Academy Area		-10
Elgin High Area		112
Forres Academy Area		114
Keith Grammar Area		4
Lossiemouth High Area		4
Milnes High Area		3
Speyside High Area		12
<b>Total other grants / receipts</b>	<b>27,736</b>	<b>27,857</b>
<b>Total receipts</b>	<b>27,736</b>	<b>28,486</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Land and Buildings</b>						
<b>Children and Young People's Services Committee</b>						
<b>Schools Estate</b>						
<b>Make Do and Mend</b>						
East End Primary M&E Works 619115B (619110)	315	210	105			0
Cluny Primary M&E Works 619086B/C	668	639	29	29		29
Forres Academy M&E Works 619429B/C, 619420	676	621	55	55		55
New Elgin Primary M&E Works, Building Works 619274/l	922	918	4	4		4
Andersons Primary M&E Works 619025/B	384	358	26	26		26
Speyside High School Building M&E Works 619381/2	14	37	(23)	(12)		(12)
Hopeman PS 619151 Roof & Stonework, Ceiling work	5	42	(37)			0
Keith Grammar Building Works 619481		26	(26)	(26)		(26)
<b>Other Schools</b>						
Aberlour Primary 61409 Accessibility		2	(2)	(2)		(2)
New Findrassie Primary School		4	(4)		(4)	(4)
Legionella works	35	39	(4)			0
Fire safety	79	107	(28)			0
School fire audits	170	186	(16)			0
Linkwood Primary School at East End Primary bus drop-off point	50	46	4			0
Schools for the Future - 4 schools refurbishment	0	(293)	293			0
Milnes Primary School - early learning & childcare replace hutted accommodation	1,032	905	127	127		127

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Land and Buildings</b>						
New Primary School in South Elgin (Linkwood) incl pre school provision	1,200	1,012	188	188		188
New Lossiemouth High School and Pool	9,439	9,132	307	307		307
Forres Academy replacement of hutted accommodation	37		37			0
Elgin High School	923	955	(32)			0
Early Learning & Chilcare expansion	900	1,058	(158)	(158)		(158)
All public facilities	15	3	12			0
<b>Total Children and Young People's Services Committ</b>	<b>16,864</b>	<b>16,007</b>	<b>857</b>	<b>538</b>	<b>(4)</b>	<b>534</b>
<b>Moray Integrated Joint Board</b>						
Complex Housing Needs Residential Facility	0	62	(62)			0
Cameron Park Brae Upgrade	0	70	(70)			0
<b>Total Health and Social Care Committee</b>	<b>0</b>	<b>132</b>	<b>(132)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Land and Buildings</b>						
<b>Economic Development and Infrastructure Committee</b>						
<b>Industrial Portfolio</b>						
Land Acquisition - Forres	30		30			0
Serviced Sites - Chanonry Road, Elgin	24		24	24		24
Serviced Sites - March Road, Buckie	101	65	36			0
Refurbishment Industrial Units	129	109	20			0
Refurbishment Estate Roads	28	27	1			0
<b>Waste Management</b>						
New landfill cells, capping & reinstatement	148	121	27	27		27
Integrated Waste Facility Moycroft	674	308	366	366		366
NESS Energy	514	529	(15)			0
Upgrade Recycling Centre facilities	91	14	77	77		77
<b>Grounds Maintenance / Public Areas</b>						
Replacement burial grounds - ground investigation Elgin Site	11	0	11	11		11
<b>Transportation</b>						
Replace waterproofing and expansion joints at multi-storey car parks	0	1	(1)			0
<b>Total Economic Development and Infrastructure Com</b>	<b>1,750</b>	<b>1,174</b>	<b>576</b>	<b>505</b>	<b>0</b>	<b>505</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Land and Buildings</b>						
<b>Policy and Resources Committee</b>						
<b>Offices, Depots etc</b>						
Upgrades arising from Legionella and Fire Risk Assessments	40	37	3			0
Depot maintenance from condition surveys	66	60	6			0
Energy efficiency projects	85	121	(36)			0
Cost of sales Wittet Drive		15	(15)			0
<b>Total Policy and Resources Committee</b>	<b>191</b>	<b>233</b>	<b>(42)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Land and Buildings</b>	<b>18,805</b>	<b>17,546</b>	<b>1,259</b>	<b>1,043</b>	<b>(4)</b>	<b>1,039</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Infrastructure</b>						
<b>Economic Development and Infrastructure Committee</b>						
<b>Road safety</b>						
Road safety provision	90	5	85	85		85
Disability adaptations	70	70	0			0
Road safety barrier provision	158	69	89	89		89
New road signs and markings	30	36	(6)			0
CWSS	131	131	0			0
<b>Roads Improvements</b>						
Carriageway resurfacing / reconstruction / surface dressing	2,042	1,965	77	77		77
Footways	300	192	108	108		108
Drainage and other works	460	303	157	157		157
Timber Traffic structural works	670	655	15			0
<b>Bridges - strengthening and replacement</b>						
U97H Tomliath Bridge	10	1	9			0
B9136 Glenlivet Bridge	5	1	4	4		4
A941 New Craigellachie Bridge	25	75	(50)	(50)		(50)
A940 Glenernie Bridge	150	145	5			0
B9007 Logie Bridge	150	129	21			0
Arthurs Bridge	34	28	6	6		6
Remote footbridges	27	3	24	24		24
Seatown Bridge	0	(30)	30			0
Elgin Transport Strategy	216	216	0			0
Sustainable Travel ERDF Speyside Way	5	5	0			0
Sustainable Travel ERDF Elec Car Charge Points	51	51	0			0
<b>Street Lighting</b>						
Replace SOX and SON street lights with LED Lights	1,034	922	112			0
Replacement columns and lights	725	707	18	18		18

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Infrastructure</b>						
<b>Flood Alleviation &amp; Flood Risk Management</b>						
Portgordon	40	16	24			0
Lossiemouth Seatown	90	37	53			0
Dallas	0	24	(24)			0
Newmill	0	1	(1)			0
Elgin FAS	100	(13)	113		100	100
Forres (River Findhorn & Pilmuir) FAS	150	22	128		128	128
<b>Harbours - replacement of life expired elements and upgrade</b>						
Buckie	450	621	(171)	(171)		(171)
Burghead	8	10	(2)			0
Findochty	61	45	16	16		16
Portknockie Landslip	500	356	144	144		144
<b>Harbour Economic Development</b>						
Economic Development	67	39	28	28		28
Buckie Harbour Infrastructure Improvements - Ice Plant & Fu	132		132	132		132
<b>Total Economic Development and Infrastructure Commit</b>	<b>7,981</b>	<b>6,837</b>	<b>1,144</b>	<b>667</b>	<b>228</b>	<b>895</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Vehicles Plant and Equipment</b>						
<b>Children and Young People's Services Committee</b>						
Replacement of swimming pool equipment	14	21	(7)			0
Moray Leisure Centre	226	214	12	12		12
<b>Total Children and Young People's Services Committ</b>	<b>240</b>	<b>235</b>	<b>5</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>Economic Development and Infrastructure Committee</b>						
Vehicle & plant replacement programme	1,788	1662	126	126		126
G-PaTRA / Green Bus Fund - purchase of electric bus	290	283	7			0
Children's Play Areas (Parkland)	61	60	1			0
Facilities Management Equipment	13	25	(12)			0
Domestic & Trade Waste Bins	35	35	0			0
Upgrade of containers at recycling centres	4	4	0			0
New Car Parking Machines	160	155	5			0
Traffic Data Collection Equipment	11	10	1			0
Traffic signal replacement Forres	5		5	5		5
Pool Car Booking System	20	15	5			0
Elec Car Charge Points	37	37	0			0
<b>Total Economic Development and Infrastructure Corr</b>	<b>2,424</b>	<b>2,286</b>	<b>138</b>	<b>131</b>	<b>0</b>	<b>131</b>

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19  
AS AT 31 MARCH 2019**

	Capital Plan 2018-19 £000	Actual Expenditure £000	Variance £000	Requested Carry Forward		
				2019/20 £000	Future Years £000	Total £000
<b>Vehicles Plant and Equipment</b>						
<b>Policy and Resources Committee</b>						
<b>ICT Core Programme</b>						
Servers Infrastructure	285	184	101	52		52
Unix server replacement	50		50			0
Network infrastructure	116	81	35	5		5
Desktop and Mobile Devices	233	188	45	13		13
Software	151	115	36			0
Digital Public Services	71	56	15			0
Schools ICT strategy	260	248	12	5		5
IJB OT stores stock system	0	32	(32)			0
Corporate committee management information system	5	5	0			0
Replacement of office furniture	10	8	2			0
Replacement of CCTV system	0	35	(35)			0
CRC allowances	53	53	0			0
<b>Total Policy and Resources Committee</b>	<b>1,234</b>	<b>1,005</b>	<b>229</b>	<b>75</b>	<b>0</b>	<b>75</b>
<b>Total Vehicles Plant and Equipment</b>	<b>3,898</b>	<b>3,526</b>	<b>372</b>	<b>218</b>	<b>0</b>	<b>218</b>

## Major Capital Projects spanning more than 1 financial year (as at 31 March 2019)

## APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2018-19	Actual spend 2018-19	Remaining Budget 2018-19	Project Life Spend to 31/03/19	Projecte dFuture Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
SFT - 4 schools refurbishment	21,360	20,200	0	-293	293	19,907	0	19,907	1,453
Milnes PS 61582 early learning & childcare	2,500	1,468	1,032	905	127	2,373	127	2,500	0
New Linkwood Primary School	12,810	537	1,200	1,012	188	1,549	11,261	12,810	0
New Lossiemouth High School	42,300	1,039	9,439	9,132	307	10,171	32,129	42,300	0
Complex Housing Needs Residential Facility	2,558	2,555	0	62	-62	2,617	0	2,617	-59
LED Street lighting replacement programme	5,000	2,195	1,034	922	112	3,117	1,100	4,217	783
Moycroft Integrated Waste Facility	3,032	58	674	308	366	366	2,666	3,032	0
MIJB OT Stock System	0	13	0	32	-32	45	0	45	-45
CCTV system	60	56	0	35	-35	91	0	91	-31
<b>Total</b>	<b>68,260</b>	<b>7,921</b>	<b>13,379</b>	<b>12,408</b>	<b>971</b>	<b>20,329</b>	<b>47,283</b>	<b>67,612</b>	<b>648</b>





**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: TRUST FUNDS – SUMMARY EXPENDITURE FOR 2018/19 AND ESTIMATED DISPOSABLE INCOME FOR 2019/20**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 To inform Council of the disbursements made from Trusts in 2018/19 and the estimated disposable income available for disbursement in 2019/20.
- 1.2 This report is submitted to Council in terms of Section III B (16) of the Council's Scheme of Administration relating to the Management and Investment of any funds including Common Good and Trust Funds.

**2. RECOMMENDATION**

**2.1 The Council is asked to:-**

- (i) **note the disbursements approved from the Trust Funds in 2018/19, as detailed in APPENDIX 1; and**
- (ii) **agree the estimated income available for disbursement in 2019/20, as detailed in APPENDIX 2.**

**3. BACKGROUND**

- 3.1 The Council administers 58 trust funds in total, acting as sole trustee for 54 trusts and as one of several trustees for the other four trust funds. The trust funds represent legacies bestowed by various individuals and organisations for the benefit of the community or organisations within Moray.
- 3.2 Moray Council acts as sole trustee for 30 Connected Charity trust funds which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). The Council are one of several trustees for one other OSCR registered trust fund. The remaining 27 trusts are unregistered with Moray Council being sole trustee for 24 of these and one of several trustees for the other three.
- 3.3 Since 2013/14, the Registered Charitable Trusts require to be audited by an external auditor who is appointed by the Accounts Commission, currently Audit Scotland. This only applies to any Charitable Trust for whom the Council is the sole trustee. Any Charitable Trust for whom the Council is not

the sole trustee requires to be examined by an Independent Examiner; Scott-Moncrieff has been appointed as Independent Examiner for the Auchernack Trust.

- 3.4 Policy and Resources Committee on 2 September 2008 (paragraph 11 of the Minute refers) agreed to only disburse grants from trusts where the disposable income is greater than £50 and to carry forward undistributed funds each year until the disposable income reaches £50. Policy and Resources Committee on 8 October 2013 (paragraph 8 of the Minute refers) agreed that the whole annual income of the trust will be made available for disbursement in accordance with the trust deed (prior to this one third of the income was reinvested) although the policy not to disburse any Trust Fund with disposable income under £50 remains.
- 3.5 The Moray Council on 14 November 2012 (paragraph 7 of the Minute refers) agreed to a scheme of Trust reorganisation due to an increasing number of Trusts being unable to disburse funds because the criteria for the original charitable purpose are too specific or because the Trusts have become frustrated due to social and economic changes.
- 3.6 An update on reorganisation was reported to The Moray Council on 24 June 2015 (paragraph 10 of the Minute refers) approving the proposal for setting up a new trust and the wording of the proposed Trust Deed.
- 3.7 In August 2016 OSCR awarded charitable status to the new trust: The Moray Council Charitable Trust (SC046791). Applications can now be made to OSCR to reorganise and transfer the assets of the existing qualifying Trusts into the new single charitable Trust.
- 3.8 An update on reorganisation was reported to Policy and Resources on 24 October 2017 (paragraph 13 of the Minute refers) giving details of the ongoing work in relation to the trust reorganisation and the planned transfer of 27 individual connected charitable trusts into the new trust.
- 3.9 During 2018/19 OSCR approved the reorganisation of one trust, Captain Fleetwood Thorne, and its assets have been transferred into the new single charitable Trust and removed from the Scottish Charity Register.
- 3.10 Details of each individual trust funds purpose and ward location are shown on the Council's website at [http://www.moray.gov.uk/moray\\_standard/page\\_58388.html](http://www.moray.gov.uk/moray_standard/page_58388.html)

#### **4. DISBURSEMENTS IN 2018/19**

- 4.1 **APPENDIX 1** gives details of the disposable income and disbursements made during 2018/19 from all the Council's trust funds.
- 4.2 In total £78,803 was disbursed in the year from twelve of the trust funds. Disbursements included £46,679 from the Educational trusts (Moray & Nairn, Banffshire, Donald Manson Fund and the Milne's Institution Trust); £20,350 from the Auchernack trust for the elderly of the Forres area; £6,338 from the Boyd Anderson Trust, a trust for improvements to the public areas of

Lossiemouth. A further £3,518 in grants was made from the MacDonald Benevolent Fund for beneficiaries of Speyside, and £1,918 in other grants.

## **5. 2019/20 DISPOSABLE INCOME**

- 5.1 It was agreed by Policy and Resources on 30 August 2016 (paragraph 10 of the Minute refers) that the appropriate interest rate applied to trust balances from the Council's Loans Fund should be the two year Public Works Loan Board (PWLB) fixed loan interest rate. The interest for 2019/20 has been calculated using the two year fixed PWLB rate of 1.57% which was the rate as at 1 April 2018.
- 5.2 **APPENDIX 2** shows the estimated disposable income for each trust fund in 2019/20. The total projected funds available for disbursement in 2019/20 is £147,477 from trusts with available income over the minimum £50 level.
- 5.3 There are still a high number of trusts that either have nil, or less than £50, disposable income this year. Most of these trusts have loans pool balances invested in the Council's Loans Fund, and they earn annual interest on this balance, however a share of administration costs is also allocated to these trusts and this then reduces the income available to below the £50 threshold. It is the intention that reorganisation will reduce the administrative burden of the trust portfolio and ensure that as much income as possible from the trust funds is passed on to beneficiaries as efficiently as possible.
- 5.4 The available income has increased since last year. This is due to the introduction of car parking charges within the Cooper Park in 2018/19, all of which is on trust grounds; therefore the full income and expenditure is given to the trust.
- 5.5 The estimated administration charge to be allocated over all trusts in 2019/20 is £16,350 (2018/19: £15,780). The allocation methods for central support service (CSS) costs were recently reviewed, allocating legal charges to individual trusts where possible.
- 5.6 **APPENDIX 2** also shows the committed expenditure to date for 2019/20 of £42,691. The trustees of the River Lossie Public Trust have agreed to construct a footway, and widen parts of the existing footway, on the north side of Boroughbriggs Road between the football ground and the Bishopmill Bridge. The public trust generates a share of the income from the Lossie Wynd and Lossie Green Car Parks, along with maintenance costs, and currently has £65,000 of capital funds. The cost of the works is estimated at £16,000 and can be funded from the average net income generated in one year.
- 5.7 The Cooper Park trust also generates income and expenditure from the car parking charges, which is all on trust land. In 2019/20 it is estimated that the trust will get a net income of £27,000 from the parking charges. The trustees have agreed to use the trust fund to maintain grass cutting and ground maintenance at the park. Depending on the level of works carried out, this is estimated to cost between £15,000 and £20,000.

5.8 The remaining committed amounts are for two applications approved this year from the MacDonald Benevolent Fund, and four from the Auchernack Trust Fund after the trustees met in May.

5.9 The risk of trust properties incurring expenses without making any income to compensate is identified in paragraph 6(d) below. One trust that falls into this category is Ladyhill Cottages, a public trust made up of two Category C listed cottages; Sulva and Messines Cottage, in Elgin. The trust consists of the pair of single storey cottages, sitting each side of the steps up to Ladyhill. Messines Cottage is currently occupied, rent free, with the Council funding the costs of all repairs. Currently in a state of disrepair, Sulva Cottage is vacant and would require a large outlay to bring it back to liveable condition. There are recurring energy costs for the property with no funds to pay for it. Options for this property will be investigated and reported in the future. The trust is also liable to pay Council Tax on empty dwellings. Logie Cottage in Forres has recently become vacant and is awaiting approval for the sale of the property and to distribute the proceeds. Any costs incurred would need to be repaid from the proceeds, as well as recompensing the cost of refurbishment three years ago back to Housing.

## 6. **SUMMARY OF IMPLICATIONS**

### (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Although there is no direct link to the Moray 2026, the reorganisation of the Trusts will result in efficiencies within the Trust funds.

### (b) **Policy and Legal**

The Council's adoption of the policy of disbursing the whole annual income will enable more funds to be available for disbursement.

### (c) **Financial Implications**

In 2018/19 there was £117,562 of funds available for disbursement with £78,803 disbursed in the year from twelve of the trust funds, as identified in **APPENDIX 1**.

**APPENDIX 2** shows the estimated disposable income for each trust fund in 2019/20. The total projected funds available for disbursement in 2019/20, plus carry forwards of undisbursed income from 2018/19, is £147,477 being the trusts with available income over the minimum £50 level. The carry forwards from the Banffshire and Moray and Nairn Educational trust are permitted through the deeds of the trust, allowing a carry forward of any unspent funds into the following year.

The amount committed to date is £42,691 from the River Lossie and Cooper Park public trusts, Auchernack Trust and the MacDonald Benevolent Fund, as shown in **APPENDIX 2**.

### (d) **Risk Implications**

There is a risk of overspends exceeding disposable income if any unforeseen emergency major repairs are required for properties owned by Trust Funds. Close monitoring of costs and the condition of properties will be undertaken by officers in order to mitigate this risk.

**(e) Staffing Implications**

There are no staffing implications arising from this report.

**(f) Property**

The condition of all Trust Fund properties will be monitored in order to keep reactive repairs to a minimum.

**(g) Equalities**

There are no equalities issues arising directly from this report.

**(h) Consultations**

Local Members are consulted on discretionary disbursements particular to their ward.

**7 CONCLUSION**

**7.1 Details of disbursements for 2019/20 for each Trust Fund are detailed in APPENDIX 1 and the estimated income available for disbursement for each Trust Fund for 2019/20 is shown in APPENDIX 2.**

Author of Report: Susan Souter, Accountant  
Background Papers: Held in Accountancy  
Ref:



## Trust Funds Disbursements 2018/19

Ward	TRUST FUND	Disposable Income 2018/19 £	Undisbursed Income 2017/18 £	Total Available for Disbursement 2018/19 £	Actual Disbursement 2018/19 £
All	Burial Grounds PERPS	419	-	419	419
All	JB Mair Fund	614	-	614	-
All	Burial Grounds TRUSTS	121	-	121	121
Elgin North	Craigmoray Bequest(Bishopmill)	8,777	-	8,777	-
Elgin North	John Pringle Bequest	1,039	-	1,039	-
Elgin South/North	Laing Mortification	4,561	-	4,561	-
Elgin South/North	Cumine of Auchray *	1,938	-	1,938	-
Elgin South/North	Munro Baths *	87	-	87	-
Elgin South/North	Young *	154	-	154	-
Fochabers Lhanbryde	Milne's Institution Trust	7,178	-	7,178	7,178
Forres	Auchernack **	17,882	1,600	19,482	20,350
Forres	Dick & Smith Coal *	65	-	65	-
Forres	Donald Manson (Edinkillie) Fund	8,960	-	8,960	8,960
Forres	Donald Manson (Forres Burgh) Fund	2,229	Item 9.	2,229	2,229
Forres	Dick And Taylor *	98	-	98	-
Heldon & Laich	Boyd Anderson Trust *	560	-	560	6,338
Keith & Cullen	Glenisla Comforts Fund	3,306	-	3,306	-
Keith & Cullen	William Lawtie	2,353	-	2,353	-
Keith & Cullen	Keith Nursing *	290	-	290	-
Old Banffshire Boundary	Banffshire Educational Trust	17,065	-	17,065	15,709
Old Moray Boundary	Moray & Nairn Educational *	13,889	-	12,938	12,603
Old Moray Boundary	The Pringle Trust	1,445	-	1,445	754
Public Trust	River Lossie	16,446	-	16,446	624
Public Trust	Grant Park	1,179	-	1,179	-
Public Trust	Cooper Park	534	-	534	-
Speyside Glenlivet	Alexander Ferrier *	92	-	92	-
Speyside Glenlivet	The MacDonald Benevolent Fund	4,788	-	4,788	3,518
Speyside Glenlivet	Speyside Comforts Fund	1,493	-	1,493	-
	<b>TOTAL</b>	<b>117,562</b>	<b>1,600</b>	<b>118,211</b>	<b>78,803</b>

## Trusts with Disposable Income under £50

Ward	TRUST FUND	Disposable Income 2018/19 £	Undisbursed Income 2017/18 £	Total Available for Disbursement 2018/19 £	Actual Disbursement 2018/19 £
Elgin	Jubilee Cottages	-	-	-	-
Elgin	Ladyhill Cottages	-	-	-	-
Elgin North	Margaret Brander *	19	-	19	-
Elgin South/North	Alves *	-	-	-	-
Elgin South/North	Braco Mortification *	-	-	-	-
Elgin South/North	Dunlop *	-	-	-	-
Elgin South/North	Eliza J Grant *	-	-	-	-
Elgin South/North	Geddes *	-	-	-	-
Elgin South/North	J & R Pringle Benevolent *	-	-	-	-
Elgin South/North	Martin *	-	-	-	-
Elgin South/North	Miss Fletcher *	-	-	-	-
Elgin South/North	Mrs Younie *	-	-	-	-
Elgin South/North	Ritchie *	-	-	-	-
Elgin South/North	Robina Pringle *	-	-	-	-
Forres	Castlehill Trust *	-	-	-	-
Forres	Dunbar Dunbar *	-	-	-	-
Forres	Forres Poor *	-	-	-	-
Forres	Grant Park Trust *	-	-	-	-
Forres	Jonathan Anderson *	-	-	-	-
Forres	Robert Anderson *	-	-	-	-
Heldon & Laich	Fleetwood Thorne *	-	-	-	-
Keith & Cullen	Keith Poor Funds *	-	-	-	-
Speyside Glenlivet	Dufftown Food *	-	-	-	-
	<b>TOTAL</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>-</b>

\* To be audited by Audit Scotland

\*\* To be audited by Scott-Moncrieff



## Trust Funds Projected Disbursement 2019/20

Ward	TRUST FUND	Projected Disposable Income 2019/20 £	Undisbursed Income 2018/19 £	Total Available for Disbursement 2019/20 £	Committed Expenditure 2019/20 £
All	Burial Grounds PERPS	418	-	418	-
All	JB Mair Fund	657	-	657	-
All	Burial Grounds TRUSTS	121	-	121	-
Elgin North	Craigmoray Bequest(Bishopmill)	9,366	-	9,366	-
Elgin North	John Pringle Bequest	1,110	-	1,110	-
Elgin South/North	Laing Mortification	4,630	-	4,630	-
Elgin South/North	Cumine of Auchray *	1,967	-	1,967	-
Elgin South/North	Munro Baths *	88	-	88	-
Elgin South/North	Young *	156	-	156	-
Fochabers Lhanbryde	Milne's Institution Trust	7,647	-	7,647	-
Forres	Auchernack **	17,265	-	17,265	4,920
Forres	Dick & Smith Coal *	65	-	65	-
Forres	Donald Manson (Edinkillie) Fund	9,340	-	9,340	-
Forres	Donald Manson (Forres Burgh) Fund	2,323	Item 9.	2,323	-
Forres	Dick And Taylor *	99	-	99	-
Heldon & Laich	Boyd Anderson Trust *	467	-	467	-
Keith & Cullen	Glenisla Comforts Fund	3,543	-	3,543	-
Keith & Cullen	William Lawtie	2,388	-	2,388	-
Keith & Cullen	Keith Nursing *	294	-	294	-
Old Banffshire Boundary	Banffshire Educational Trust	18,163	1,171	19,334	-
Old Moray Boundary	Moray & Nairn Educational *	13,333	335	13,668	-
Old Moray Boundary	The Pringle Trust	1,455	-	1,455	-
Public Trust	River Lossie	16,000	-	16,000	16,000
Public Trust	Grant Park	1,199	-	1,199	-
Public Trust	Cooper Park	27,269	-	27,269	20,000
Speyside Glenlivet	Alexander Ferrier *	94	-	94	-
Speyside Glenlivet	The MacDonald Benevolent Fund	4,912	-	4,912	1,771
Speyside Glenlivet	Speyside Comforts Fund	1,602	-	1,602	-
	<b>TOTAL</b>	<b>145,971</b>	<b>1,506</b>	<b>147,477</b>	<b>42,691</b>

## Trusts with Disposable Income under £50

Ward	TRUST FUND	Projected Disposable Income 2019/20 £	Undisbursed Income 2018/19 £	Total Available for Disbursement 2019/20 £	Committed Expenditure 2019/20 £
Elgin	Jubilee Cottages	-	-	-	-
Elgin	Ladyhill Cottages	-	-	-	-
Elgin North	Margaret Brander *	19	-	19	-
Elgin South/North	Alves *	-	-	-	-
Elgin South/North	Braco Mortification *	-	-	-	-
Elgin South/North	Dunlop *	-	-	-	-
Elgin South/North	Eliza J Grant *	-	-	-	-
Elgin South/North	Geddes *	-	-	-	-
Elgin South/North	J & R Pringle Benevolent *	-	-	-	-
Elgin South/North	Martin *	-	-	-	-
Elgin South/North	Miss Fletcher *	-	-	-	-
Elgin South/North	Mrs Younie *	-	-	-	-
Elgin South/North	Ritchie *	-	-	-	-
Elgin South/North	Robina Pringle *	-	-	-	-
Forres	Castlehill Trust *	-	-	-	-
Forres	Dunbar Dunbar *	-	-	-	-
Forres	Forres Poor *	-	-	-	-
Forres	Grant Park Trust *	-	-	-	-
Forres	Jonathan Anderson *	-	-	-	-
Forres	Robert Anderson *	-	-	-	-
Keith & Cullen	Keith Poor Funds *	-	-	-	-
Speyside Glenlivet	Dufftown Food *	-	-	-	-
All	The Moray Council Charitable Trust	-	-	-	-
	<b>TOTAL</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>-</b>

\* To be audited by Audit Scotland

\*\* To be audited by Scott-Moncrieff





**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: COMMON GOOD FUNDS – SUMMARY EXPENDITURE FOR 2018/19 AND ESTIMATED DISPOSABLE INCOME FOR 2019/20**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the final position of Common Good Funds at 31 March 2019 and the estimated income available for disbursement in 2019/20.
- 1.2 This report is submitted to Council in terms of Section III (B) (16) of the Council's Scheme of Administration relating to dealing with the Management and Investment of funds including Common Good.

**2. RECOMMENDATION**

**2.1 The Council is asked to:-**

- (i) consider and note the disbursements approved for 2018/19 for each of the Common Good Funds shown in APPENDIX 1;**
- (ii) approve the carry forward of the undisbursed balances for 2018/19 for the Buckie, Dufftown, Elgin, Forres, Portknockie and Keith Funds to be made available in 2019/20;**
- (iii) agree the estimated income available for disbursement in 2019/20 shown in APPENDIX 2; and**
- (iv) consider and note Common Good Fund asset register in APPENDIX 3.**

**3. BACKGROUND**

- 3.1 The origins of Common Good Funds in Scotland are from the late 15th Century and they have been defined as “all property of a Royal Burgh not acquired under statutory powers or held under specified trusts”.
- 3.2 Until 1975, the Town Councils or those Burghs in Moray having Common Good Funds managed them. Moray District Council took over the management until 1996 when this Council took over responsibility. The Members of the Council are in a similar position to Trustees.

- 3.3 The Council must retain the ability to continue to make grants from the Common Good Funds to future generations. For that reason preservation of the Common Good Funds' Capital is essential.
- 3.4 In addition, it is essential to use the revenue generated from the Funds to maintain the land and buildings held as assets. The Council is obliged to maintain the Common Good Funds' Balance whether as land, buildings or cash.
- 3.5 Common Good Funds' cash balances can be applied to acquire assets or to carry out major repairs but Members must be satisfied that such acquisitions or works carried out will provide a long term and lasting benefit to the particular Community as a whole. The same criteria have to apply to any disposal of assets.
- 3.6 The Policy and Resources Committee established the Council's current policy regarding distribution of the annual income available, on 20 June 2001 (paragraph 7 of the Minute refers). At that time the Committee noted that the true value of money depreciates over time and in an attempt to keep pace and at the same time to be able to make reasonable levels of grants from the income earned, it agreed a policy of distributing two-thirds of the annual income earned with the remaining one-third being retained to maintain the value of the funds.
- 3.7 Members of the Policy and Resources Committee agreed on 16 January 2002, to continue with the policy of distribution of two-thirds of the estimated annual income available from the Common Good Funds (paragraph 22 of the Minute refers). The remaining third was to be re-invested in order to maintain the Funds for future generations.
- 3.8 In order to speed up the processing of grant applications, the Policy and Resources Committee delegated authority to the Head of Financial Services in consultation with Local Members to consider grant applications and make appropriate awards. The Moray Council Committee on 13 March 2019 (paragraph 10 of the minute refers) agreed that if two thirds or more of local members are in agreement it is sufficient authority to proceed under delegated authority of the Head of Financial Services. If the agreement of at least two thirds cannot be obtained on an application then the application will be reported to Policy and Resources Committee.
- 3.9 The Policy and Resources Committee at its meeting on 2 September 2008 (paragraph 12 of the Minute refers) agreed to allow unspent balances to be carried forward and be available to use in the following two years. Any unused funds after two years are added back to the Fund balance. At the same meeting any overspends at 31 March would be limited to 25% of disposable income and had to be replaced over the following two years.
- 3.10 Members should note that the Council is required to account for depreciation on Common Good assets. As this is an accounting entry only, the disposable income continues to be calculated prior to the deduction of depreciation.

#### **4. 2018/19 DISPOSABLE INCOME AND DISBURSEMENTS APPROVED**

- 4.1 **APPENDIX 1** shows details of the estimated income and actual disbursements approved for 2018/19 for each of the Common Good Funds.
- 4.2 Cullen Common Good Fund has two properties, 14 and 16 Reidhaven Street, which require significant works to bring them up to a suitable condition. Policy and Resources Committee on 4 June 2019 agreed for the Legal Services Manager to apply to Elgin Sheriff Court for permission to proceed to sell the properties.
- 4.3 Land at St Leonards Road, Forres was sold during 2018/19 for £30,000 and the cash balance retained in the Forres Common Good Fund; this allows the Fund to distribute income for grants in future years.

#### **5. 2019/20 DISPOSABLE INCOME**

- 5.1 **APPENDIX 2** details the current financial position of the Common Good Funds and the estimated disposable income for 2019/20.
- 5.2 The estimated income figure is calculated to assist Local Members' decision making when allocating grants. The figures are only there as a guide. If a supported application would breach the estimated income limit, disbursement can be made but will require Policy and Resources Committee approval.
- 5.3 As can be seen in **APPENDIX 2** there are a number of projects which have already been approved by Local Members for 2019/20.
- 5.4 The interest for 2019/20 has been calculated using a two year fixed PWLB rate of 1.57% as at the 1 April 2018.

#### **6. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

None.

**(b) Policy and Legal**

The Council's adoption of the policy of retaining one third of disposable income in each financial year will protect the capital for each of the Common Good Funds and ensure their sustainability in the future.

**(c) Financial implications**

The financial implications are contained in the body of the report and are detailed in the Appendices.

**(d) Risk Implications**

There is a risk of overspends exceeding 25% of disposable income if any unforeseen emergency major repairs are required for properties owned by Common Good Funds. Close monitoring of costs and the condition of properties will be undertaken by officers in order to mitigate this risk.

**(e) Staffing Implications**

None

**(f) Property**

The condition of all Common Good properties will be monitored in order to keep reactive repairs to a minimum.

**(g) Equalities/Socio Economic Impact**

None

**(h) Consultations**

Local Members for each Common Good Fund have been consulted on disbursements for 2018/19.

**7. CONCLUSION**

- 7.1 The final outturn for 2018/19 for each of the Common Good Funds, which the Council administers, is detailed in APPENDIX 1, the budgeted income available for disbursement in 2019/20 is shown in APPENDIX 2 along with previously approved applications and the Common Good Fund asset register is shown in APPENDIX 3.**

Author of Report: Nicky Gosling, Accountant  
Background Papers:  
Ref:

**Appendix 1****BUCKIE COMMON GOOD  
ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19**

	Estimate £	Actual £	Variance £
Investment Property Income	3,035	3,035	-
Investment Income	24,048	23,771	277
Other Income	-	-	-
	<hr/> 27,083	<hr/> 26,806	<hr/> 277
Less Administrative Costs	1,173	845	328
	<hr/> 25,910	<hr/> 25,961	<hr/> (51)
Two thirds	17,273		
C/f undisbursed income from prior years	34,877		
	<hr/> 52,150		
	<hr/> <hr/> 52,150		
<b>Grants Awarded During the Year</b>			
1st Buckie Boys Brigade	1,800		
All Saints Episcopal Church Buckie	1,000		
Buckie Thistle F/Ball Dev Comm Alert	1,500		
Fishermens Hall Trust	20,000		
Footprints	500		
Well Road Park Buckie	10,000		
The Shed	500		
Moray Reach Out	2,500		
	<hr/> 37,800		
	<hr/> <hr/> 37,800		
Undisbursed Income		<hr/> <hr/> <b>14,350</b>	

## Appendix 1

### CULLEN COMMON GOOD

#### ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate	Actual	Variance
	£	£	£
Investment Property Income	250	1,095	(845)
Investment Income	481	459	22
	<hr/>	<hr/>	<hr/>
	731	1,554	(823)
Less Administrative Costs	446	112	334
	<hr/>	<hr/>	<hr/>
	285	1,442	(1,157)
Two thirds	190		
C/f undisbursed income from prior years	(863)		
	<hr/>		
Total Budget Available for Disbursement 2018/19	<hr/>		
	(673)		
	<hr/>		
<b>Grants Awarded During the Year</b>			
Robert the Bruce Endowment		2	
		<hr/>	
		2	
		<hr/>	
<b>Other Expenditure</b>			
Court Fees-Cullen Town Hall	127		
Council Tax - Vacant Property 16 Reidhaven St	1,897		
	<hr/>		
	2,024		
	<hr/>		
Undisbursed Income			
		<hr/>	
		(2,699)	
		<hr/>	

## Appendix 1

### DUFFTOWN COMMON GOOD

### ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate	Actual	Variance
	£	£	£
Investment Property Income	-	-	-
Investment Income	233	227	6
Other Income	8	8	-
	<hr/>	<hr/>	<hr/>
	241	235	6
Less Administrative Costs	170	52	118
	<hr/>	<hr/>	<hr/>
	71	183	(112)
Two thirds	47		
C/f undisbursed income from prior years	1,119		
	<hr/>		
Total Budget Available for Disbursement 2018/19	<hr/>	<hr/>	<hr/>
	1,166		
 <b>Grants Awarded During the Year</b>			
Dufftown & Dist Royal British Legion	750		
	<hr/>		
	750		
	<hr/>		
Undisbursed Income	<hr/>	<hr/>	<hr/>
	<b>416</b>		

## Appendix 1

### ELGIN COMMON GOOD

#### ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate £	Actual £	Variance £
Investment Property Income	24,286	22,016	2,270
Investment Income	22,749	22,816	(67)
	<u>47,035</u>	<u>44,832</u>	<u>2,203</u>
Less Administrative Costs	3,045	2,090	955
	<u>43,990</u>	<u>42,742</u>	<u>1,248</u>
Two thirds	29,327		
Less 50% of 2017/18 overspend	(416)		
Less previously agreed expenditure for property repairs	(4,394)		
Total Budget Available for Disbursement 2018/19	<u>24,517</u>		

#### Actual Grants Awarded

Elgin Rotary Club - Bonfire Night 2018	1,225
Elgin Youth Development Group	1,500
Moray Foodbank	403
	<u>3,128</u>

#### Other Expenditure

Purchase & Installation of Tommy	1,369
Remove banner brackets-High Street	388
Bids Levy 239 High Street	83
239 High Street - Asbestos sample	5
239 High Street - Refill system and test boilers	157
239 High Street - Asbestos refurbishment survey	600
239 High Street - Water charges 2018-19	184
	<u>2,786</u>

Undisbursed Income	<u><u>18,603</u></u>
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## APPENDIX 1

### FORRES COMMON GOOD

#### ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate £	Actual £	Variance £
Investment Property Income	18,000	18,934	(934)
Investment Income	4,927	4,967	(40)
Profit on Disposal of Asset	-	30,000	(30,000)
	<u>22,927</u>	<u>53,901</u>	<u>(30,974)</u>
Less Administrative Costs	2,127	1,706	421
	<u>20,800</u>	<u>52,195</u>	<u>(31,395)</u>
Two thirds	13,866		
C/f undisbursed income from prior years	5,829		
Less previously agreed expenditure for property repairs	(1,483)		
Total Budget Available for Disbursement 2018/19	<u>18,212</u>		

#### Grants Awarded During the Year

Forres Christmas Lights Insurance	750
Forres Community Activities Assoc	1,500
Forres In Bloom	1,500
Forres Theme Day	1,750
Forres Mechanics Football Club	3,000
Rotary Club of Forres	629
Forres & District Pipe Band	2,400
Forres Mechanics Football Club	<u>3,000</u>
	14,529

#### Other Expenditure

Legal Documents-11 St Leonards Road, Forres	23
Undisbursed Income	<u><u>3,660</u></u>

## Appendix 1

### PORTKNOCKIE COMMON GOOD

#### ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate £	Actual £	Variance £
Investment Income	805	805	-
	<hr/>	<hr/>	<hr/>
	805	805	-
Less Administrative Costs	8	58	(50)
	<hr/>	<hr/>	<hr/>
	797	747	50
Two thirds	531		
C/f undisbursed income from prior years	551		
	<hr/>		
Total Budget Available for Disbursement 2018/19	1,082		
	<hr/>		

#### Grants Awarded During the Year

Undisbursed Income	<hr/> <hr/>	<b>1,082</b>	
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## Appendix 1

### KEITH COMMON GOOD ACTUAL FINANCIAL PERFORMANCE AGAINST ESTIMATED FIGURES FOR 2018-19

	Estimate £	Actual £	Variance £
Investment Income	31	31	-
	<hr/>	<hr/>	<hr/>
	31	31	-
Less Administrative Costs	-	-	-
	<hr/>	<hr/>	<hr/>
	31	31	-
Two thirds	20		
C/f undisbursed income from prior years	38		
	<hr/>		
Total Budget Available for Disbursement 2018/19	58		
	<hr/>		
<b>Grants Awarded During the Year</b>	-		
	<hr/>		
Undisbursed Income	<b>58</b>		
	<hr/>		



**Common Good Funds**  
**Estimated Figures for Disposable Income in 2019/20**

<b>Buckie</b>	
Estimated Disposable Income	£ 17,392
Undisbursed Income (unused limit carry forward from 2018/19)	<u>14,350</u>
<b>Total Available for Disbursement 2019/20</b>	<b>31,742</b>
<u>Disbursements approved to Date:-</u>	
<ul style="list-style-type: none"> <li>• Buckie Community Theatre</li> <li>• Buckie Community Alert</li> </ul>	2,000 1,500
<b>Projected Income Available for Disbursement</b>	<b>28,242</b>

<b>Cullen</b>	
Estimated Disposable Income	£ 970
2018/19 costs exceeded income – the year end deficit was £(2,699)	
<u>Annual Recurring Requests Outstanding:-</u>	
<ul style="list-style-type: none"> <li>• Robert the Bruce Endowment (This amount is £2.10 accrued annually until sum reaches reasonable amount to be paid out)</li> </ul>	2
<b>Projected Income Available for Disbursement</b>	<b>Nil</b>

<b>Dufftown</b>	
Estimated Disposable Income	£ 120
Undisbursed Income (unused limit carry forward from 2018/19)	<u>56</u>
<b>Total Available for Disbursement 2019/20</b>	<b>176</b>
<b>Projected Income Available for Disbursement</b>	<b>176</b>

<b>Elgin</b>	
Estimated Disposable Income	£ 35,033
Undisbursed Income (unused limit carry forward from 2018/19)	18,603
Less 50% of 2017/18 overspend	(416)
Less repayment of capital advance for property repairs	<u>(4,394)</u>
<b>Total Available for Disbursement 2019/20</b>	<b>48,826</b>
<u>Disbursements approved to Date:</u>	
• Rotary Club of Elgin – Rotafun	2,500
• Grass Cutting-Ladyhill	152
• New Elgin & Ashgrove Public Hall	4,500
• Moray – Arts Development Engagement	1,182
• Elgin & District Men’s Shed	4,000
• Contribution to Seagull Deterrent	4,900
<b>Projected Income Available for Disbursement</b>	<b>31,592</b>

<b>Forres</b>	
Estimated Disposable Income	£ 15,130
Undisbursed Income (unused limit carry forward from 2018/19)	3,660
Less repayment of capital advance for property repairs	<u>(1,483)</u>
<b>Total Available for Disbursement 2019/20</b>	<b>17,307</b>
<u>Disbursements approved to Date:</u>	
• Forres in Bloom	2,500
• Forres Community Council - Leancoil	7,500
• Forres Area Community Trust	2,000
• Forres Christmas Lights	750
<b>Projected Income Available for Disbursement</b>	<b>4,557</b>

<b>Portknockie</b>	
	<b>£</b>
Estimated Disposable Income	506
Undisbursed Income (unused limit carry forward from 2018/19)	<u>1,082</u>
<b>Total Available for Disbursement 2019/20</b>	<b>1,588</b>
<u>Disbursements approved to Date:</u>	
• Portknockie Paddling Pool Repair Fund	500
<b>Projected Income Available for Disbursement</b>	<b>1,088</b>

<b>Keith</b>	
	<b>£</b>
Estimated Disposable Income	21
Undisbursed Income (unused limit carry forward from 2018/19)	<u>39</u>
<b>Total Available for Disbursement 2019/20</b>	<b>60</b>
<b>Projected Income Available for Disbursement</b>	<b>60</b>



## APPENDIX 3

### Common Good Asset Register

#### **Buckie Common Good**

Fishermans Hall, 16 North Pringle St, Buckie  
 Town House West (Hall), Cluny Place, Buckie AB56 1HB  
 Library, Cluny Place, Buckie, AB56 1HB  
 Fishing Heritage Centre, Cluny Place, Buckie AB56 1HB  
 Town House West (Offices), Cluny Place, Buckie AB56 1HB  
 Public Toilets, Cluny Place, Buckie  
 Sites Opposite 26 Barron St, Buckie AB56 1XD  
 42A Freuchny Rd, Buckie AB56 1TX  
 25B East Cathcart St, Buckie AB56 1JP  
 Site to rear of 5 Bridge Place, Buckie  
 Store, Freuchny Road, Buckie  
 Linzee Gordon Park, Buckie - Public Park and Play Area  
 Buckie Victoria Bowling Club, West Church Street, Buckie  
 Heritable Assets - Ansons Collection  
 Heritable Assets - Chains of Office

#### **Cullen Common Good**

14/16 Reidhaven Street, Cullen AB56 4SZ  
 Town Hall, Seafield Street, Cullen AB56 2SG  
 Heritable Assets - Chains of Office

#### **Dufftown Common Good**

Tininver Park, Tininver Street, Dufftown  
 The Clock Tower, The Square, Dufftown AB55 4AD  
 Information Centre, The Clock Tower, The Square, Dufftown

#### **Elgin Common Good**

239 High Street, Elgin, IV30 1DJ  
 Site Adjacent To 239 High Street Elgin Moray  
 Riverside Caravan site, Elgin IV30 8UN  
 Field Adjacent to The Oaks, Morrision Road, Elgin  
 Field Adjacent to Oakview, Morrision Road, Elgin  
 Shooting Acres & Aughteen Park Lands, Pluscarden Road, Elgin  
 Moray Leisure Centre, Borough Briggs Road IV30 1AP  
 Field at Riverside, West Road, Elgin  
 Ground adjacent to The Mansion House, Blackfriars Rd, Elgin  
 The Oaks, Morrision Road, Elgin IV30 6UN  
 Playing field, Borough Briggs Rd, Elgin  
 Land adjacent to Playing Fields, Borough Briggs, Elgin  
 Play area, McIntosh Drive, Elgin  
 Play area, Ardgilzean Place, Elgin  
 Loch and Country Park, Millbuies, Elgin  
 Depot Cooper Park, Elgin  
 Greenfingers Nursery, King Street , Elgin IV30 1HU  
 Biblical Gardens, King Street, Elgin  
 Training Centre, Cooper Park, King Street, Elgin  
 Rainbow Castle, Borough Briggs Road, Elgin  
 Monument, Prospect Terrace, Lossiemouth (Charter of Novodamus)  
 Site opposite 2 Seatown, Lossiemouth (Charter of Novodamus)  
 Public Convenience, Seatown Rd, Lossiemouth IV31 6JL (Charter of Novodamus)  
 Heritable Assets - Chains of Office

### **Forres Common Good**

Former Depot Grant Park, High St, Forres  
Squash Court, Victoria Road, Forres IV36 1BN  
Forres Mechanics Football Ground, Mosset Park, Lea Rd, Forres IV36 1AU  
Moray Council, Auchernack, High St, Forres, IV36 1DX  
Forres Bowling Club, St Catherines Rd , Forres  
Nelsons Tower  
The Greens, Forres  
Car Park, Bogton Road, Forres IV36 3TW  
Nursery, Bogton Road, Forres IV36 3TW  
Bogton Playing Field and Play Area, Bogton, Forres  
Christies Elite Nurseries Limited, Bogton Rd, Forres IV36 3TW  
38a Clovenside Road (adjacent to Clovenside Cemetery), Forres  
Field, Pilmuir Road West, Forres  
Kingsmeadow Field, Forres  
Field A Clovenside  
Field B Clovenside  
Market Cross Monument, High St, Forres  
Forres Golf Club  
Forres Golf Course, Forres IV36 2RD  
Car Park, Victoria Rd, Forres  
Forres Town Hall, High St, Forres IV36 1PB  
Land at mouth of River Findhorn  
Roysvale Park and Pavillion, Sanquhar Road, Forres  
Heritable Assets - Chains of Office

### **Keith Common Good**

Nursery Park, Keith  
Store, Seafield Park, Keith  
Show Ground Store, Seafield Park, Keith AB55 5AJ  
Pavillion, Seafield Park, Keith  
Seafield Park, Keith  
Heritable Assets - Chains of Office

### **Lossie Common Good**

Coulardbank Pavillion, Coulardbank Playing Fields, Lossie  
Coulardbank Playing Fields, Coulardbank Road, Lossiemouth  
Heritable Assets - Chains of Office

### **Findochty Common Good**

Town Hall, 22 Station Rd, Findochty AB56 4PN

### **Burghead Common Good**

St Aethans Park and Play Area, St Aethans Rd, Burghead  
Heritable Assets - Chains of Office







**REPORT TO: SPECIAL MORAY COUNCIL ON 27 JUNE 2019**

**SUBJECT: MONITORING OFFICER ISSUES ARISING 1 AUGUST 2018 TO 31 MAY 2019**

**BY: MONITORING OFFICER**

**1. REASON FOR REPORT**

- 1.1 To report on the range of activities undertaken by the Monitoring Officer.
- 1.2 This report is submitted to Council in terms of Section III A (4) of the Council's Scheme of Administration relating to public performance reporting.

**2. RECOMMENDATION**

- 2.1 The Council is asked to consider and note the activities of the Monitoring Officer over the period 1 August 2018 to 31 May 2019.**

**3. BACKGROUND**

- 3.1 There is a statutory requirement for every Council to appoint a Monitoring Officer. The Head of Legal and Democratic Services performs this role in Moray Council supported by the Legal Services Manager who acts as Depute Monitoring Officer.
- 3.2 Legislation requires the Monitoring Officer to bring to the attention of the Council:
- *A contravention of law or any code of practice made or approved under any enactment; or*
  - *Maladministration or injustice in each case actual or potential and whether by the Council, committees, sub-committees or officers.*
- 3.3 It is normal practice in local authorities for the Monitoring Officer to:
- Promote good governance and sound decision making.
  - Promote the Councillors Code of Conduct.
- 3.4 The Council's Policy and Resources Committee on 2 October 2012 agreed that the Monitoring Officer would present an annual report on the activities of the post (para 8 of the minute refers).

## 4. **SUMMARY OF WORK UNDERTAKEN**

### 4.1 Statutory role

4.1.1 There have been no formal reports of legal contravention or maladministration.

### 4.2 Governance role

During the period covered by the report the Monitoring Officer has:

4.2.1 Reviewed agendas, reports and notices of motion submitted for all formal meetings of the Council and its Committees/Sub-Committees. *This is a significant aspect of the Monitoring Officer's workload, often undertaken over a very restricted period to enable committee papers to be published within the statutory timescales. Given staffing reductions within Legal Services, a lighter touch is now being given to this review process with time spent being relative to the risk.*

4.2.2 Advised administration and opposition councillors on practical application of the Council's Constitutional Documents to the committee system, including advice on Notices of Motion, Written Questions and Suspension of Standing Orders. *There is an upward trend in the number of such requests, perhaps reflecting a more politicised Council. Recent issues have been around confidentiality and publicity of decisions.*

4.2.4 Advised CMT and Councillors on statutory duties and the legal requirements to set a balanced budget. *Growing pressure on Council budgets is increasingly likely to create tension between statutory priorities.*

4.2.5 Carried out an annual review of the Council's constitutional documents. *This is largely a routine housekeeping exercise picking up, for example, changes to officer delegations as a result of realignment of services. A more fundamental review of the Council's Scheme of Administration has been agreed as part the Improvement and Modernisation programme and is scheduled to take place shortly.*

4.2.6 Delivered training for councillors on governance issues. *Topics have included the scrutiny role of councillors and the complementary but distinct roles of councillors and officers, with one session being led by the Improvement Service.*

4.2.7 Reviewed governance and scrutiny arrangements in place with outside bodies such as the Integration Joint Board, NESS (North East Scotland Shared) Energy from Waste Project and Moray Leisure.

4.2.8 Ensured that the Council is aware of and compliant with all major pieces of new legislation through the legal services section.

4.2.9 Introduced a register of senior officers interests which can be viewed on the Council's website.

#### 4.3 Code of Conduct Role

During the period covered by the report the Monitoring Officer has:

4.3.1 Maintained the register of councillors interests including six monthly reminders and council tax payment checks prior to budget setting.

4.3.2 Given advice to councillors on individual circumstances and mediated in situations of conflict.

*There has been an increase in the number of internal complaints about conduct in the Council chamber and about comments on social media. Future training will be focused around these issues.*

4.3.3 Provided regular email updates to Councillors on Standards Commission developments and topical issues.

4.3.4 There have been no formal communications with the Commissioner for Ethical Standards over investigations and complaints.

### 5. SUMMARY OF IMPLICATIONS

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective governance is required for the delivery of the Council's stated priorities and plans.

(b) **Policy and Legal**

These are detailed more fully in the report.

(c) **Financial Implications**

None

(d) **Risks implications**

Actions taken by the Monitoring Officer are designed to contribute towards the Council's risk management processes.

(e) **Staffing implications**

The MO role is carried out by the Head of Legal and Democratic Services, Supported by the Legal Services Manager

(f) **Property Implications**

None

(g) **Equalities/Socio Economic Impact**

There are no issues arising directly from this report.

**(e) Consultations**

The Depute Monitoring Officer have been consulted and her comments have been reflected in the report.

**5. CONCLUSION**

**5.1 The Council is invited to consider and note the activities undertaken by the Monitoring Officer during the period covered by this report.**

Author of Report: Alasdair McEachan, Monitoring Officer

Background Papers: None

Ref: